

FINANCIALTIME

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NEWS SUMMARY 4

GENERAL

U.S. cabinet meets on pipeline

Senior U.S. Cabinet members • GHLTS advance faltered. The yesterday met urgently to decide the next move in the confrontation with France over U.S. sanctions against building the Slberian gas pipeline.

"The French subsidiary of Dresser Industries of Dallas said it would obey French government orders to load equipment for the project, in defiance of a ban on U.S. .involvement.

The parent company has asker a Washington court for a ruling, and for an injunction against the U.S. Government if it tries to penalise the com-pany. Back Page

Argentina fears Argentine Economy Minister Dagnino Pastore resigned, raising the prospect of another

political crisis. Page 4 Police sacked More than 300 Indian policemen

have been sacked following police demonstrations in Bombay and Harayana state last Higher grade cash price fell £14 week in which five people died. to £856 a tonne. Page 22

Cough deaths

Four habies have died of whooping cough this year. Over 31,000 people have suffered from it this year, up from 9,000 in the same period last year.

Microlights down The Civil Aviation Authority grounded all Scorpion micro-light aircraft made by Southern Aerosports after a fatal crash

32 questioned

Murder squad detectives last Page 26 night were still questioning 32 people arrested in raids to Londonderry, after a hig security operation.

Extradition claim Police denied a report that they

were dropping extradition proceedings against Patricia Ford. girl friend of escaped Broadmoor killer Alan Reeve, in the Netherlands.

Yacht honoured

Urania, a Dutch Navy yacht, won the Cutty Sark Trophy for sacrificing its chances in the Tall Ships race to stop and help a ship in difficulties.

Sunday trade call The Consumers Association backed legal amendments to let

shops stay open on Sunday and at night. Page 7

Leader arrested Socialist opposition president Abel Goumba was arrested by

the Central African Republic military government.

Champion banned West German motorcycling champion Hagen Klein was banned from racing for walking off the winner's podium during the country's national anthem,

to protest at unemployment. Hero Honecker

Moscow named East German leader Erich Honecker Hero of the Soviet Union, the highest Soviet honour, to mark his 70th

birthday today.

Briefly. . . .

Sony president Kazuo Iwama died in Tokyo at 63. Prince Edward passed three

Dr Stanford Moore, Nobel Chemistry Prizewinner, 68, died in New York:

Forest fires flared up again in Page 19 south-east France. Mosquilo swarms hit Venice:

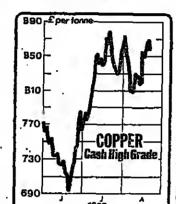
Mrs. Thatcher resumed paper work, 24 hours after surgery on

BUSINESS

Gilts fall equities **lose 5.5**

Government Securities index lost 0.40 to 78.52. Page 25 early firmness. The FT 30-share index fell 5.5 to 571.0.

• COFPER came under selling pressure after rising initially.



• GOLD gained \$15 to \$411.5 In London, In New York the Comex August close was \$404.75 (\$399.2). Page 22

• DOLLAR fell to DM 2.419 DOLLAR ren to DM 2.419 (DM 2.4525), FFr 6.78 (FFr 6.8675), SwFr 2.04 (SwFr 2.07) and Y251.75 (Y254.5). Its trade weighted index was 119.3 (129.2). Page 26

• STERLING rose 2.10 cents to \$1.7675. But it eased lo DM 4.28 (DM 4.285), FFT 11.98, (FFT 11.99) and SWFT 3.61 (SwFr 3.6175). Its (redr weighted index was 91.8 (91.6).

• WALL STREET was down Page 24

 U.S. ANNUAL INFLATION rate slowed to 7.3 per cent last month. Page 4

WEST GERMAN current account had a deficit of DM 1.8bn 1£420m) last month, against DM 3.9bn a year ago. Page 2

• JAPAN has agreed to extend Y65bn (£146m) in official loans to China in the year to March. Page 3

 AUGUST CAR SALES are expected to set a record today by passing 250,000. Back Page

BRAZIL'S \$1.8bn (£1.0ābn) railway project completion is being delayed for another year because of lack of state funds.

● LIVERPOOL DOCKERS voted to accept a two-year pay and productivity deal after four months' negotiation. Page 7

CO-OPERATIVE UNION forecast a 9.5 per cent increase in consumer spending next year.

• BP OIL is to close its lossmaking Belfast refinery. Page 6 • CBS CHAIRMAN William Paley may resign in the next

few months. Men and Matters Page 14 . • IBH HOLDING, West Ger man construction equipmen group, has ended discussions on the acquisition of International Harvester's construction machin-

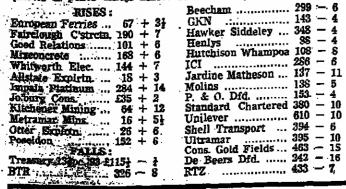
ery business. Back Page DE BEERS Consolidated Mines is halving its interim dividend to 12.5 cents (6.3p). Pre-tax profits fell from R346.7 to R295.4 (£148m). Back Page

and Lex; details, Page 18 DEERE AND COMPANY, U.S. farm equipment manufacturer, reported third quarter net income well down from \$67.1m to \$4.16m (£2.3ām).

• LONDON & SCOTTISH Marine Oil raised pre-iax profits hy £9.2m to £64.2m in the first half of 1982. Page 16; Lex, Back

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless atherwise indicated) RISES:



Unemployment grows faster as underlying total reaches 2.99m

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

UNEMPLOYMENT Is now rising at a substantially faster rate than in the spring and reached an underlying figure of 2.99m in August, according to figures out

yesterday.

The August total dashed hopes lingering from the spring through to July that the under lying trend might be continuing to improve.

The grim figures immediately provoked demands from some Conservative MPs as well as from the Labour Party and the TUC for the Government to reflate the economy. Mr Eric Varley the Langur

employment spokesman called for a major reflation programme using nationalised industries and local authorities as 'spearhead" to hring down late some movement."

An Indication of the back Conservative pressure which will be put on the Government came from Mr Jim Lestor, MP for Beeston and former Conservative Employment Minister. He called for an autumn budget wilb measures to hoost business confidence. He urged a cut in the National Insurance Surcharge,

TOTAL UNEMPLOYED WHOLLY UNEMPLOYED 1981

ducing more demand into the economy one can start to stimu-

Dr David Owen, spokesman for the Social Democratic Party predicted that the unemployment figures would be the "obituary of the present Government," and even the Institute of Directors, one of the Government's staunchest allies, called for a special programme to cut unemployment. perind of recession. Yesterday's figures showed

an expansion of the Community that the total registered as Work Scheme and an increase unemployed, including schoolin tax thresholds this autumn. leavers, rose in August to 3.29m.
He said: "By gradually intro—13.8 per cent of the working nopulation. The underlying figure of nearly 3m, seasonally adjusted and excluding school leavers, represents one in eight of the workforce.

Tha July figure had raised

hopes that the underlying rate of increase was continuing to slow. But it was disclosed that 15,000 graduates and college-leavers had been omitted from that month's total by mistake. When these are included the average increase in the three months up to Augusl, compared

with the average for the pre vious three months, was 38,500 This is more than twice the rate of increase on the same hasis in the spring and 10,000 more than the increase in the three months to June. These figures appear to con-

firm the recent warnings from the Confederation of British Industry about the depressed state of the economy. They follow a series of indicalors which suggest that the economy has shown little sign of recovery this year and may even be heading for a further Officials now estimate that

Continued on Back Page Unemployment map reaction, Page 6

Oil trade increases current account surplus to £316m

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

BRITAIN'S current account urplus on the balance of pay- nents increased sharply in July o an estimated £316m, but a	(0
arguegation of the time there	<u>, , , </u>
tributable to an increused sur- t981 Q4	
lus on oll trade. 1981 Ot	
The underlying trend of 1982 Q2	
xports and Imports has been 1982 Janua	

worsening slightly, according to figures published yesterday by the Department of Trade. The average volume of imports in the three months to July was 3 per cent higher than the average for the previous three months and the average volume of exports

declined hy 1.5 per cent in the same period. If oil and erratic items are

excluded, the same pattern of higher imports and lower exoorts emerges. In the first seven months of this year the current account

surplus has reached a total of £1.55bn compared with a total of between £7hn and £8bn last The surplus on oil in July was £401m and the oil surplus

in the first seven months of the year is just over £2hn.

There was a 2 per cent fall, however, in the volume of exports of manufactured goods in the three months to July com- ing imports and rather dispared with the previous three appointing exports that had

+23t +419 +t09 March +271 380 +150 +150 ·1224 35 143 +327-115 june +177 - 7 July ÷401 +166 Invisibles are estimates subject to revision - 3t6 months, although there was a

BALANCE OF PAYMENTS

cars hetween these two Imports of cars were down

14 per cent over the period hut overall the volume of imports manufactured goods rose by per cent. The trade figures are still

incomplete because of the noncollection of import and export statistics during the civil servants' dispute last year. The series has been difficult

to interpret partly as a result of the civil servants' action and partly because of changes in procedures. But the lalest figures appear to confirm the underlying pattern of increas-

emerged from previous figures. The volume of imports in July was, however, substantially below the levels recorded in the spring. This would be consistent with the view that industry has not continued the rebuilding of stocks which appeared to have started in the spring and may now be entering a further period of destocking.

The figures showing a lower volume of exports in July than in previous months also tend to support the Indication from the Confederation of British Industry's most recent survey that export orders were weaker.

W. German current account deficit narrows, Page 2 Balance of Trade table, Page 6

Ambrosiano cash 'in Swiss banks'

BY OUR FINANCIAL STAFF

SWISS BANK accounts received substantial dollar transfers from overseas subsidiaries of Italy's Ambrosiano banking group, according to the public prose-cutor of the Sottoceneri district of Canton Ticino in Switzerland.

A statement from the public prosecutor yesterday alleged transfers — later reported in Italy to amount to \$20m (£11.5m) — had been drawn improperly from Banco Ambrosiano by the late Sig Roberto Calvi, the group's

The money was transferred

former chairman.

Euro. Opts. . FT Actuaries

from Ambrosiano group subsidiaries in Nassau and Managua to bank accounts in Lugano and other Swiss towns. The nominal ownership of these accounts was still unclear last night.

Confirmation that the \$20m bad been traced and blocked was given in Italy hy Sig Pler Luigi Dell'Osso, an Italian magistrate, on his return from Lugano where he bad visited Sig Flavio Carboni.

Slg Carboni, an Italian busi-nessman and close associate of Slg Calvi, is at present helping the Swiss police with their inquiries. The Swiss authorities are assisting the Italian police, who have sought to have Sig Carboni extradited on charges of passport falsification.

In Milan, the Nuovo Banco Ambrosiano—which earlier this month inherited the halance sheet of the liquidated Banco Ambrosiano Spa of Milan-has announced that on September 13 it will seek its seven sharebolder hanks' approval for a major capital increase.

Holy See hints at solutions to financial conundrum, Page 2

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money market rates

By Our Foreign and Financial Staff

THE PRICE of gold jumped vesterday and storling rose by more than 2 cents against the dollar as the Bank of England signalled that it would like to see another fall in UK bank base rales.

The Bank cut its money market intervention rates by t of a percentage point—the first cut in a week—raising hopes of a bank base rate cut. Its action coincided with signs that the recent recovery in some sectors of the world's slock markets was faltering.
On Wall Street, the Dow Jones Industrial Average was down 7.6 by mid-afternoon. Trading was heavy with 109m shares changing hands by soon after luuch.

The UK gllt-edged markel

suffered its first setback for several days. However, falls of up to £1! were reduced following the Bank of

S. African outlook, Page 2 Wall Street, Page 24 Money Markets, Page 26 Lex, Back Page

Gold Price rise fails to brighten

England's action lo cul interest rales and the FT Government Securities index ended 0.4 down at 78.52. Equities were also soft, with the FT 30-share index talling 5.5 to 571.0. Gold conlinned its recent

strong rise, jumping \$18 an ounce in London to \$411.5, its bighest since last Decemher. The gold price has risen \$79 in the last 10 trading days and \$54.5 this week alone.

The dollar fell sharply against all major currencles as expectations grew of a cut in the U.S. discount rate. The

opund jumped 2.10 cents to \$1.7675 at the London close and the dollar dropped niore than DM 2.4190. • European interest rates were marginally firmer— three-month Eurodollars rose nearly a 3 of a percentage point to 10 ". per cent and Eurofranc rates were up hy

more than a full percentage

The reduction in the Bank of England's dealing rates hy of a percentage pointlowering the key rate for the shortest materity paper it huys (hand one bills) to 11: per cent-caught the UK money markets by surprise. It occurred on a day when UK money rales were marginally firmer, with the threemonth rale up ar of a point lo 10 18 per cent.

Bank cuts Lebanese peace broken by armed clashes

BY STEWART DALBY AND NORA BOUSTANY IN BEIRUT

in Lebanon yesterday north of the Beirut-Damascus highway and around Tripoli.

Beirut radio claimed the exchanges were between Syrians and Israelis. But the Israeli army said none of its troops were involved and that the clashes were between Syrian and Lebanese Christian Faalangist forces.

Yesterday's fighting puts doubt on plans that the first convoy of Palestinian Liberation Organisation fighters should leave overland for Damascus tomorrow along the same road, through Israeli lines.

Last night, more Lebancse parliamentary deputies houses were attacked, bringing the number of houses involved in assaults to 15. The houses of five deputies were attacked with rocket propelled grenades and recoilless rifles on Monday after 34-year-old Mr Bachir Gemayel was elected as President of Lebanon for a six-year term. Mr Gemayel is leader of the "Lebanese forces" and a main

figure in the Christlan Phalange Party dominated by his father, Mr Pierre Gemayel. Although by Iradition the Lebanese President is always a

Christian, Mr Gemayel's assumption of the role has caused apprehension in Moslem quarters because of his background

ciliatory gestures to pre-dominantly Moslem West Beirut he could face continued opposi-when he takes over the Presi-tion.

FIERCE fighting was reported dency from Mr Elias Sarkis on September 24. Mr Saeb Salam, a Sunni Moslem and six times Prime Minister, who was also a key negoliator between Mr Philip Habib, the U.S. special mediator, and the Palestinians, said yesterday: "There were many injuries done to the democratic

procedure." He was referring to the cutting of telephone lines between East and West Beirut and the closing of roads, which made it practically impossible for deputies, who might have wavered in their support for

Mr Gemayel to confer.
Mr Salam and other leading
Moslems obliquely hinted that tremendous pressure was put on various depulies to vote for Mr Gemayel. A common joke in Beirut is that unusually large amounts of money-some of it said to be Saudi-has heen changing hands in East Beirut in the past week.

Mr Gemayel's first crucial test in soothing Moslem fears will come when he assumes the Presidency and has to find a Sunni Moslem prime minister, for according to tradition, the Prime Minister must be a Sunnl.

It is thought that he has already earmarked Dr Moham-ued Moghrabl, a right-wing as a Christian militia leader, and his links with Israel.

Moslem lawyer, However, there are doubts as 10 whether Dr are doubts as 10 whether Dr Moslem Moghrabl has sufficient standing Leading Sunni Moslem Moghrabl has sufficient slanding moderatea are worried both to win over leaders of the about technicalities of the elecvarious Moslem communities to support Mr Gemayel's Presition and about whether Mr support Mr Gemayel's Presi-Gentayel will make enough con-dency. Should Mr Gemayel fall

Home banking service on Prestel considered

BY GUY DE JONQUIERES

icemity has not been disclosed. The scheme would involve supplying free of charge to subscribers as many as 100,000 special adaptors. These would

convert ordinary television sets into terminals equipped to receive Prestel. The cost of the adaptors, estimated at about £10m, would be shared equally hy BT and

its partner. The proposal must still be approved by BT's hoard. It marks the boldest attempt

ver to carve out a mass con-

BRITISH TELECOM is consumer market for Prestel, which has attracted few residential ing service this autumn. It three years ago. Most of its would be carried on Prestel, 16,000 users are businesses.
BT's vicwdata information. The planned services would system, and be operated with a enable users to conduct a wide private sector partner whose tange at financial transactions. from home. It would prohably include facilities for ordering

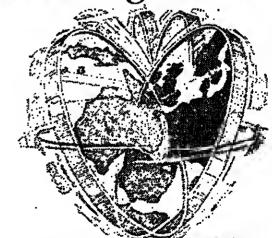
and paying for goods and services electronically. The modified television sets

Continued on Back Page

E in New York Aug. 23 Previous Spot 'S 1.7490-7505 s 1.7365-7385 1 month '0.18-0.15 dis-0.20-0.16 dia 5 months 0.12-0.09 dis-0.18-0.12 dis 12 months/2.45-2.65 om.2.10-8.20 pm

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Rupert Cornwell in Rome examines the role of the Vatican bank in the Ambrosiano money-go-round

Holy See hints at solutions to financial conundrum

WITH THE words "We must are less diametrically opposed of the rich U.S. dioceses are more and more money, as the self absolving the Valican hank be good and correct, but not to the Gasaroti thesis than believed to use U.S. banks to dollar soared against the lira of any financial hability.

naive" Cardinal Agostioo might be expected. handle their funds. and interest rates rose steeply. In the end, the only way Sig Casaroh, the Vatican's Secretary of State and most practised negotiator, sent out this week the first important signals from the Holy See on the summer's most intriguiog financial conundrum. Just how much responsibility is the Instituto per le Opere di Religione (IOR) bound to-and more important ready to-shoulder for the \$1.2bn (£690m) of unrecovered loans which brought about the

Banco Ambrosiano collapse? They are no more than signals, for nothing definite will emerge until the three "wise meo " appointed by Cardinal Casaroli in mid-July to examine the 10-year-old tangle of relations between the Vatican bank and the late Sig Roberto Calvi's Ambrosiano, have completed their work. That, saya the Gardinal, will be before autumn. It may be asked, will this

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long hot Italian summer of 1982 ever come to an end? But he dld seem to be saying two things. The first, is that the Vatican is prepared to go some of the way to a compromise over the now famous letters of comfort issued by the IOR in September, 1981, to the dozen or so Panamanian companies which borrowed the money from the Ambrosiano group. The second, is that the IOR is most unlikely ever to come up with the full \$1.26n.

These miances may make little impression on the liqui-dators of Banco Ambrosiano Spa. the group's Milan parent, as they carry out their duty of recovering all the money they can. But there are indications that the Italian authorities, as the background of the Ambro-

For one thing, they seem more inclined to accept the Votican's denisls that the 10R directly owned some or all of the Panamanian front companies, despite the long history of relations between Sig Calvi and the trio at the top of the 10R: its president, Archbishop Paul Marcinkus, Sig Luigi Mennini, and Sig Pellegrino de Strobel.

"Gertainly there are connec tions from way back between the IOR and these companies," one senior official said. "But it's not our understanding that these amount to ownership. Maybe some of the companies once were owned by IOR, but now they probably belong to Calvi and Ambrosiano."

So why did the IOR grant the letters? There are two most plausible explanations: either in return for favours and belp from Calvi/Ambrosiano ln the past, or for a commission from the dead banker, had he managed to unscramble his affairs.

Perhaps the most convincing argument against direct ownership is that, in the official's words, "it is not reatistic" to believe that the IOR, whatever the allegations levelled against ils management, would have allowed a direct deht position to go so high, when its own substance was so much less.

Notoriousty, the IOR gives no certainly its net assets, capital plus its own resources, are a bare fraction of the \$1.2bn in contention. Even the funds it administers on behalf of Catholic orders may not top \$2bn, according to one educated

direct debts of the IOR to to tillegally) prop up Ambro-Ambrosiano, said to be \$250m? siano's Milan share price.

See could soon be facing new national banks became wary

But a compromise between By the end-and taking account Italian authorities and the also of accrued interest—that Vaticar, would present difficul- \$400m might bave grown to ties of its own. How would the nearer \$800m. It was secured calculation of the sum due to by little more than the value of the Ambrosiano liquidators be the stock purchases—a reason Would it only cover why Sig Calvi took such trouble

In any case, that might not be The net started to close in the end of the matter. The Holy summer 1981, when inter-

Almost certainly, the IOR's net assets—capital plus its own resources—are a bare fraction of the \$1:2bn in contention. Even the funds it

administers on behalf of the Catholic orders may not top \$2bn. Most of the rich U.S. dioceses are believed to use banks in the U.S. to handle their

claims through the courts from about renewing credits after group's subsidiaries in Latin are put into liquidation.

clearer is why the collapse happened: in other words, what ingly from late 1981. happened to the \$1.2bn. The That August, di authorities trace purchases of shares in Amhro-

creditors, if—as seems likely— Sig Calvi's conviction on Ambrosiano'a Luxembourg afficurrency charges. As the Euroliate, and one or more of the markets dried up as a source of funds for Ambrosiaco sub-America and the Bahamas, also sidiaries, the banker was involved in the money-go-round, forced 10 juggle money ever What is becoming a little another. Foreign borrowings by earer is, why the collapse the Milan parent rose alarm.

That August, directors of its Banco Andino. demanded origin to 1975-77, when Sig Calvi guarantees before lending any borrowed up to \$400m to finance more to Panama, and Sig Calvi was forced to resort to the IOR siano Group companies. To for letters of comfort, in bishop Marcinkus with faint maintain the position required exchange for letters from him-praise.

Calvi, by theo pressed by the Bank of Italy, could square the circle was to try to sell the 10 to 12 per cent block of Ambrosiano stock held through Panama for over \$200 per share, Not surprisingly he found no

But even this version leaves unaccounted for. Did part go to meet debts to Sig Michele Sindona, the figancier who preceded him as Ilalian banker for the Vatican? Did it go for kirkbacks, or payments linked to the P-2 freemasons lodge of which Sig Calvi was a member? Or was it connected with arms dealing? Speculation is eodless. Whatever the financial uncer-

over the damage done to the Vatican's image by the affair, which no compromise agreement is now likely to erase quickly. Archbishop Marciokus insists his conscience is clean, and that he has done nothing wrong. But charges of negligence and oversight seem hard to aoswer.

His position appears increasisolated within the ingly Vatican, aithough Pope John Paul II's confidence in Arcbhishop Marcinkus appears un-

Florence, a leading figure in the Italian Catholic establishment, remarked pointedly rerently that if the IOR bad been "imprudent," then that was due "incapacity and in-ience." Even Cardinal to experience." Even Cardinal Casaroli in his interview this week appeared to damo Archwails of the Holy See is anyone's guess. But the Italian authorities aim to use the affair to sort out financial relations with the Vatican.

The problem, according to officials here, is relatively compared with a Milan bourse simple and need not involve peak of L50.000 (or under \$40). any modification of the Comcordat of 1929 between the two states, and on whose revision experts have been working the \$1.2bn without success for years.

Currently, the IOR is foreign bank which operates in Italy via ordinary lire accounts with various Italian banks, in which religious orders and others may deposit funds, to be used by the Vatican anywhere in the world. "To the extent that these accounts can be used by residents, and we have exchange controls, there is a pro-blem," a senior monetary a senior monetary nfficial commented.

What Rome wants is for the IOR to handle all its Italian transactions through a branch on Italian soil, which would be subject to the same exchange control rules as the hrsnch of any other foreign bank in the country. In fact, given that the expensive central administration of the church is in Rome, the IOR is probably a net importer of funds.

Such changes in any case would not have prevented the Calvi/IOR imbroglio, sheltered behind offshore companies over which the Bank of Italy proved poweriess until too late. As Sig Nino Andreatta, the Treasury Minister, pointed out last June, only more stringent disclosure rules and greater discretionary powers for the central bank could have done

Gold price rise fails to brighten S. Africa outlook

BY BERNARD SIMON IN JOHANNESBURG

THE PRESENT surge in the gold price has not yet altered the bleak outlook for South Africa's economy this year and in 1983. Dr Gerbard de Kock, Governor of the Reserve Bank, indleated resterday at the bank's annual meeting of shareholders. Dr de Kock said that the gross domestic product will grow in 1982 by about 1 per cent, "or less" in real terms. "It would be unrealistic to expect it to he significantly higher in 1983," he

said. The economy grew by 4.5 per cent in real terms last year, and by a record of close to 8 per cent in 1980, but Dr de Kock said that the authorities' overall economic strategy " was not restrictive enough. One result is a stubbornly

high inflation rate, expected to be about 15 per cent this year. Dr de Kock said: "excessive increases in the money supply, and in monetary demand during the past three years, and the accompanying depreciation of the rand aince the beginning of 19B1, must be counted among its main causes."

On the other hand, the balance of payments bas begun to improve for the first time in two years. The defielt on the current account dropped from a record, seasonally - adjusted, annual level of R6.9bn (£3.46bn) in the first quarter of this year to R5.4m in April to June, as a result of declining import volumes and the effect of the weak rand on exporters' local currency earnings.

Dr de Kock said that the deficit would be about R5bn this year, and that it should show a " steady further decline "

But repayment of large oreign loans is likely to maintain pressure on the reserves for some time, according to private sector economists. The recent improvement in

the current account is expected price of gold, which accounts increase in the first three for about 42 per cent of South months of this year.



Dr de Kock . . . growth of

Africa's remains at the average of about \$350 an ounce recorded so far

Dr de Kock said that the high inflation rate, and the need for further adjustments to the balance of payments, require restrictive fiscal and monetary

policies for the time being.
"Sustained monetary and fiscal discipline is essential if the South African economy is to combine a lower rate of inflation with a higher rate of real economic growth in the decade

The Reserve nonceably tightened its control over the money supply in recent months by selling large quanti-ties of Government Securities and by arranging less inflationary ways to provide crop

finance to farmers. The broadly-defined money supply rose st an annual rate of only 3.4 per cent in the second to be maintained, even if the quarter, after a 41 per cent

However, the greatest costs

future foreign investment, and

the country's important tourist

Honecker has talks with head of Krupp

A much publicised meeting President Erich Honecker, of East Germany, and Herr Berthold Beltz chair-man of the supervisory board of Krupp, has taken place here at a time of mounting problems for the East German economy. It overshadowed virtually sli other news in the Communist party newspaper, Neues Neues Deutschland.

Herr Beitz, who was accom-panied by Dr Wilhelm Schelder, the chairman of the board and members of the Krupp Foundation which owns the company, met Herr Honecker for the third time in as many years.

Neues Deutschland carried the THE Bonn German Government guarantees. There are consideritem as its froot page lead story above a much smaller despatch on the withdrawal from Beirut Palestine Liberation

Organisation. Krupp, Which signed con-contracts worth DM 240m (£56m) with East Germany in 1981 and DM 35m (18m1 this year is interested in further projects. The company said that, besides continuing the "tradigood relations" Krupp and East relations ' Germany, the talks concentrated on economic relations between

Bonn and East Berlio. The meeting, in East German eyes, demonstrates that their country continues to be desirable husiness partoer for West German industry.
The West German Chamber

of Industry and Commerce (DIHT) said East Germany's growing hard currency shortage would have a dampening effect on business at the Leipzig Autumn Fair, which opens on Scptember 5. However, most of the chamber's 560 members exhibiting at the fair do not helieve there will be a "serious

in trade tal gouds producers

Bonn current account deficit narrows

BY KEVIN DONE IN FRANKFURT

THE WEST GERMAN current imports. The current account account lind a deficit of deficit for the first seven DM 3.9bn a year ago, and the country is well on course to The balance of payments wipe out last year's current figures were released yesterday

luprovement in trading per- to lower key West German formance in the past 18 maples the lower key West German formance in the past 18 maples the lower key West German formance in the past 18 maples the lower key West German formance in the luprovement in trading per- to lower key West German formance in the luprovement in trading per- to lower key West German formance in the luprovement in trading per- to lower key West German formance in the luprovement in trading per- to lower key West German formance in the luprovement in trading per- to lower key West German formance in the luprovement in trading per- to lower key West German formance in the luprovement in the lupro

DM 1.8bn (f420m) last month, months of this year totalled chiefly as a result of seasonal only DM 2.2hn compared with influences such as the heavy a deficit of DM 19bn in the spending of West German corresponding period of 1981. fourists abroad. However, the The current account includes under renewed pressure, porti- with a surplus of DM 3.7bn — shortfall was less than half the service and transfer payments, cularly from the union move- virtually unchanged on the as well as visible trade.

account deficit of nearly amid growing speculation in DM 17bn (£3.9bn). Frankfurt financial markets there has been a dramstic that the Bundesbank will move

whether the Bundesbank will

Herr Karl Otto Poehl, the the first seven months of the Bundesbank president, said last year of DM 28bn (£6.5bn), conweek that the fall in U.S. pared with a surplus for the interest rates had given the same period last year of DM hank more room to ease its 9.99bn (£2,3bn). Last month monetary policy. It is coming alone, the trade balance closed ment, to lower interest rates same month a year ago - comto provide some stimulus pared with a surplus of DM Opinion is divided as to 4.76bn the previous month.

Exports in July totalled DM move to lower hoth Lombard 34.5bn (£8bn) and imports DM and discount rates or wbether 30.78bn (£7.2bn). In the first action will be restricted to a seven months of the year small cut in the former rate. exports amounted to DM The trade figures released 250.4bn (£58.5bn) while imports yesterday show a surplus for totalled DM 222.4bn (£51.9bn).

States agree to take part in AEG aid plan

Senior officials from the Laender agreed in principle yesterday to assume part of the

It is understood that there

able difficulties, however, over how the Laender are to divide up the burden between them, and efforts will now be made to settle these in expert talks.

the DM 1.1bn guarantee at all Affairs, said AEG's plans meant

While Bonn and the Laender

depends on the content of an an above-average cut in johs in auditor's report on AEG which the city and were "not accept-However, Herr Joost month. If this report indicates Freiherr von Wrangel, a memthta the group's efforts to ber of the AEC managing noted that tough ability stand a fair chance of rationalisation measures had to he taken-in the interests of the company's creditors-in all areas where AEG was unlikely to show a profit. That included

BY IONATHAN CARR IN BONN

and the federal states (Laender) have moved a step closer to agreement on how to aid AEG-Telefunken, the stricken electricals concern. But serious hurdies still have to be cleared.

responsibility for a DM 1.1hn (£257m) credit guarantee which Bonn may approve shortly for AEG.

were no serious objections to Bonn's contention that the Laender should cover half of the DM 1.1bn with counter- decision on whether to grant Senator (Minister) for Economic loan guarantees to AEG.

One proposal is that they should participate in the counter-guarantee action according to bow many AEG workers they have on their territory. But some argue that they are already planning local aid efforts for the group and want titis taken into account when the overall burden is shared

The federal Government's

is expected to be ready next able." restructure and return to profit- board, success, then Bonn can step in

haggled yesterday over conditions for future support, the government of West Berlin cailed on AEG no to go through with its announced closure of a plant in the city, with the loss of up to 2,300 jobs.

part of the group's West Berlin operations.

Reuter adds from Brussels: The European Commission has given its approval to West German government plans to Herr lmar Pieroth, the city's provide DM 700m (£163m) ln

Government ready to assist Dutch textiles

BY WALTER ELLIS IN AMSTERDAM

THE DUTCH Covernment is FI 800m (£149m-£170m) the approve any large financial aid wage moderation could restore ready to help rescue the industries consider essential to to companies country's textile and clothing their aurvival. He pointed out industries provided any agreed that successive governments had plan does not conflict with given some Fl 750m in subsi-European Gommunity regula- dies and credits since 1975.

of its high debt to the West. to come up with the Fl 700m-

some measure of profitability. A group of employers and . The Government is to ask workers in the textile industry Nijverdal Ten Cate, a textile is preparing a plan based on concern in the eastern Nether-research by U.S. consultants. lands, to develop a combat suit A rescue plan is scheduled to This declared that the Nether- for the forces. It would have Mr Willem Dik. State Secre- he ready by the beginning of lands, with its high wages and to be proof against heat, cold did not expect improved business with East Germany because ment was unlikely to be viable objections from the European make textiles and clothing, but it cold lead to an order for which must added that modernisation and 200,000 suits

'Shortcomings' in Turkey affect borrowing ability

tinues to suffer from serious records.

Warburg-submitted the memorandum to the government last month, after sounding out the international financial community.

"A serious shortcoming remained over the lack of co-ordination within the Turkish Government, especially between the Central Bank and the Ministry of Finance," said the " Increasingly this shortcoming is becoming up. spparent in the marketplace. which can only have an adverse effect on Turkey's ability to borrow.

TURKEY HAS made "great when export credit agencies strides" in the field of external tried to reconcile their figures borrowing since 1978, but con- with the official Turkish tinues to suffer from serious records. "This naturally casts shortcomings which are under- doubt on the accuracy of official mining its ability to borrow, Turkish statistics, which makes according to a memorandum it exceedingly difficult for bank prepared by the Government's lending officers to convince their Financial Advisory Group. credit committees to increase
The group—made up of Kuhn their existing country limits, or Loeb Lehman Brothers Inter- to establish country limits for national. Lazard Freres and Turkey," the memorandum said.

The advisory group said that, when Turkey went into negotiation, it was imperative that it be seen to be familiar with Its briefs and decisive. "Gertain recent negotiations have clearly not given that impression," said the group.

The advisers recommended "external borrowing co-ordination committee" be set It would embrace the Ministry of Finance, Gentral Bank and representatives of the atate planning organisation. Concessional western aid to The two institutions kept help Turkey overcome its econo-'separate and unreconciled" mic crisis will taper off after

Glistrup threat to form new Danish party By Hilary Barnes in Copenhagen

THE FOUNDER of Denmark'a tax-protest Progress Party, Mr Mogens Glistrup, has threatened to resign and start a new part in protest against a proposal to increase the membership of the executive committee from six to

Mr Glistrup sald the party was founded to fight bureaucracy. Increasing the number of people on the committee was the beginning of the bureaucratisation of the party.

The proposal will be put to the party's annual congress next month by Mr V. A. Jacobsen, the organisation chairman, who believes it will make the party more democratic. The Progress Party caused a sensation in 1973 when it swept

into Parliament with 26 seats. At the general election last year, it returned 16 members (out of a total of 179) and won 8.9 per cent of the vote. Mr Glistrup was sentenced to four years in jail last year, for tax fraud but he has appealed substantial against his conviction to the

seeks union backing for restraint By David Housego in Paris

Mauroy

THE French Prime Minister,

M Pierre Mauroy, has launched a series of meetings with nnion leaders to win their acceptance of the finan-cial sacrifices the Government is pressing for. The Government is not only seeking a 14-month period of wage restraint when the prices and wages freeze ends

nn October 31. It is also paying the way for cuts in unemployment and social security benefits or for increased contributions to bridge the deficits in these

All this makes this year's rentrée — the period of return from holidays — much more painful than last year's the newly-elected Socialist Government was loosening the purse strings with increased social allowances and a rise in the

minimum wage. The Prime Minister last week saw M Edmond Maire. leader of the pro-Socialist CFDT union, and the most favourably inclined to the Government's policies. Yesterday, he met M Andre

Bergeron, head of the centrist Force Ouvriere, who opposed the wages freeze strongly, claiming it will ent the purchasing power of his largely 5-10 per cent. By the end of the week, be

will have seen the remaining union leaders, including M Henri Krasucki, of the Communist-led CGT union. These meetings will pre-ecde the detailed negotiations

between employers and unions at branch level to

determine the actual level of

Before then, however, M Maurov is expected early next month to spell ont in more detail the Government's wages policy and its intentions towards financing memplayment benefits and social security expenditures. He is anxions, though, that he sbmld not appear to be jeopardising the tradition of collective bargaining.

Besides a lengthy period of wage restraint to bring down inflation, the Government's other ambitions goals include a broadening of the collective bargaining system, a narrowing of wage differentials, and an end to the automatic indexing of wages.

The problem of achieving a 14-month period of wage restraint is seen as immense The Government has said it wants to mainlain the purchasing power of the inwer paid, but it is already at odds with unions on how to define this category.

Prior to the freeze, it had promised minimum wageearners an increase in real incomes this year of 4-5 per cent. There is naw doubt whether this promise can be Most difficult of all Is the

staggering of wage increases the 14-month period. The Government ia committed to restoring average purchasing power by the end of next year. But it is calenlating this year on a decline in real wages to help bring down inflation.

Kenya asks West for aid after coup attempt BY QUENTIN PEEL, AFRICA EDITOR

THE KENYAN Government has (£64m). for Kenya are in the loss of its reputation for political stability, which is likely to affect both

submitted a formal request to Britain and other leading Western aid donors for emergency assistance in the wake of the abortive August 1 coup

A letter has been received by Industry.

Mrs Margaret Thatcher, the Prime Minister, from President not confirm the contents of the

Danlel arap Moi, the Kenyan letters delivered to Western President, the Foreign Office embassies in Nairobi last week. confirmed in London yesterday. the Kenyan government is also The official estimate of the expected to ask for help in 'cost of damage caused in the retraining and reorganising the action, including looting of Air Force, which was at the shops in many parts of the centre of the coup attempt and, capital, Nairobi, is put at \$110m has since been disbanded.

ARAFAT'S POLITICAL BASE

Tunisia prepares new homes for PLO

BY FRANCIS GHILES

THE 1,000 Palestinian guerrillas northern mouth of the Suez due to disembark today at the Canal ready to join the evening funis, are expected to surrender their weapons to Tunisian army officers before parading through the streets of the eapital.

· They are then likely to leave for Oued Zerga, a small town the middle of a rich valley. There they are due to be housed in an agricultural training centre and in tents while a prelabricated village is being Mr Yaser Arafat, chairman of the Palestinian Liberation Organisation (PLO) and about

150 otber Palestinian leaders are expected in Tunis later and will probably live in a hotel at Borj Cedria, 30 km north of the capital. According to Mr Mohamed Mzali, the Tunisian Prime Minister, Tunisia will be a place for political discussions, but it

will not serve as the launching pad for military operations. The Tunisian authorities have also indicated that they will refrain from interfering in the refugees internal affairs and hope the Palestinians will behave in the same way.

The late President Bourguiba of Tunisla was the first Arab lesder to criticise Arab League policy on Palestine openly and to advocate a more flexible famous store on the waterfront. tions between the Palestinians and Israel on the partition plan

of 1948. It is ironic that the country which suffered such strong criticism from Arab states then should now be the headquarters of the Arab League and one of the first capitals to take the

Beirut refugees. Charles Richards adds from Gairo: The first of two ships earrying Palestinian fighters from Beirut to South Yemen was met by the Governor of Port Said and senior PLO

port of La Goulette, north of southbound convoy yesterday. But unlike the hundreds of troopships which have passed through the Canal before on the way to Aden and the east, the Gyprus-registered SS Alkyon was forbidden to discharge its

Israelis free prisoners

israel has begun releasing PLO members it captured in the opening stages of its invasion of Lebanon, Israell nfficials sald yesterday, AP reports from Jerusalem. The officials said no numbers were available, but the process had speeded np "in the last few days." The fsraelis reserve the right to

passengers to pick up duty-free

ment in terrorism. A Foreign Ministry legal expert said the PLO prisoners are protected by the fourth Geneva Convention relating to civilians under administrative detention, under which Israel is not ubliged to release them at the cut of hostilities.

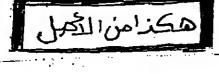
put on trial any Palestinian

suspected of personal involve-

bargains at Simon Artz's

The Egyptian Government has rigidly refused to allow any Palestinian fighters into Egypt. maintaining that the evacuation of Beirut would have dangerous consequences and should be implemented only as part of a comprehensive settlemnt of the Palestinian issue. The Government waived the tolls for transiting the Canal as a

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records of external public deht mid-1984

records of external public deht mid-1984—and substantial against his con-records. This led to delays amounts of debt will fail due. Supreme Gourt.

officials as it waited at the centres.

gesture, however.

ه كذامن الديم

Japan to lend China

By Richard C. Hanson in Tokyo JAPAN has agreed to extend Y65bn (£146m) in official loans to China during the year ending March, 1983. This amount is 8.3 per cent bigher

than the assistance provided Eunder a five-year agreement starting in 1979, Japan has provided low-cost loans, mainly for a number of ambitious projects aimed at

and transport systems. This year's instalment will belo fund three port and railway projects. More than Y30bn will be spent on the expansion of a Beijing-Qinhuang rail link. The Japanese have also included Y20bn in commodity credits in the package. The loans carry an interest rate of 3 per cent over 30 years, with a 10-year grace

period. Last year, Japan extended Y60bn in loans, and in 1979 and 1980 the loans totalled Y50bo and Y56bn. Talks this year went smoothly and an agreement was reached in every stage.

Reuter adds: Mr Zenko Suzuki, the Japanese Prime Minister. yesterday offered to expand Japan's contribution to UN peace-keeping operations to cover personnel and equipment as well as funds Mr Suzuki, in talks with Sr

Javier Perez de Cuellar, the UN Secretary-General, said the contribution would be made within the framework of the Japanese constitution,

Australian plan for economic 'rescue'

MR BILL HAYDEN, the Austraiian Labor Party leader yesterday proposed a series of measures as a "short-term pian of rescue" for the Australian economy, strug-gling in the recession, AP-DJ reports from Canherra.

The measures include creation of about 150,000 extra jobs in the public and private sectors; increased spending on capital works, inincreased cluding an extra A\$170m (£95m) on public housing; genuine" tax cuts, cheaper health insurance and a new improved retirement scheme. of the Australian dollar 10 take pressure off interest Reuter

£146m to

THE charred skeleton of a bus blocks traffic on one of Bombay's arterial roads. A few yards away, soldiers armed with light machine guns watch stonily while an upturned car lies nearby. Scores of shops with smashed windows bear testimooy to Bombay's two-day orgy of violence last week in which six people were killed. India's commerciai capital is limping back to normal, but it will take a long time to re-establish confideoce between its 12m citizens strengthening China's port and their 22,000 policemen. Bombay's police iost their status as the country's elite force when they were joined by striking textile workers on a

Burnt-out car in Bombay after police riot.

Bombay police force, they neighbourhood thought the reckoned without the potential crackdown was aimed at them.
fury of the textile workers. The result was a rare combios-The authorities awooped down tion of policemen, angry at the on leaders of the police union, arrest of 22 of their leaders and month strike by 250,000 textile the Bombay Police Association, the dismissal of 80 others, and workers. When the authorities which began a demonstration on hungry textile workers looting decided last Wednesday that August 15, India's Independence shops. According to Bombay they should act sternly to queil Day, for better pay and conditional residents, the violence was the growing indiscipline in the tions. Textile workers in the unavoidable.

lines the deceptivenes of Bombay's glossy prosperity. Tensions tend to be ignored until they huild up enough pressure for the kind of eruption seen last week. No other Indian city can boasl such a formidable organised underworld of smugglers, bootleggers and petty criminals, Bombay's hundreds of thousands of shanty and slum dwellings are a fur-

K. K. Sharma visits the scene of last week's two-day orgy of violence by mutinous police and rioting strikers

Bizarre coincidence fires up Bombay's angry workers

ther hotbed of discontent. Mr Julio Riberio, Bombay's police commissioner, says: "The ity, with all its frustrations, is like a powder keg that can go up at any provocation. We had to put fear into the people. There was no other way of controlling the situation-a situation that was brought to a head by acts of indiscipline by Bombay's police union, such as the wearing of black badges on duty, and an alarming report that the union leaders planned to loot the armouries.

Last week's crackdown is now admitted to have been an overreaction. Bombay has a weak administration led by Mr Babasahib Bhosale, the Chief Minister, who owes his position to the downfall of his allegedly corrupt predecessor.

Mr Bossale was in New Delbi Chief Minister's knowledge, on the day of the mutiny, pay-although Bombay's cynics 52y

250 police dismissed

MORE THAN 250 policemen in India's northern state of Haryana have been dismissed for taking part in last week's demonstrations, Chief Mini-ster Bhajan Lal said yester-day, Reuter reports from New Delhi.

The Minister said be would not tolerate indiscipline in the force. The policemen. mostly from the state's armed constabulary, were protesting about working conditions, the Press Trust of India said.

A day after the trouble in Haryana, policemen in Bom-bay, went on strike to press for higher pay. The army was summoned to restore order and at least five people were killed in the city in two days of rloting.

ing court to Mrs Indira Gandhi as seems mandatory for all those who owe her allegiance, It seems the decision to disci-pline the police union leaders was decided upon without the

A post mortem is now uoder way to allocate blame for the mutiny and the riots. Recognition of the Bombay Police Associatioo has been withdrawn and the authorities are to act firolly, in accordance with iostructions from New Delbi.

Police unrest over pay and conditions in at least two other states is worrying the Indian Government, which fears another build up of hostility among industrial workers and police. Mrs Indira Gandhi's government, and ber Congress Party in a majority of the country's 22 states, will come under pressure for strong action on growing police indiscipiine.

This will also be the worst year ever for industrial strife and last year's figure of 22m working days lost will be greatly multiplied, even if the textile workers go back to work immediately.

The bizarre coincidence of the notoriety earned hy the police force is said to be army may not be ecough.

this would bave made no dif- operating a highly rewarding ference.

protection racket of weekly pay-offs, whose victims are small and large businesses, to the benefit of both constables and senior officers. Such corruption is rife all over the country.

Added to this are police grievances about wages and working conditions that led to the appointment of a commission of inquiry three years ago when forces in a number of states started protests. After submitting a number of reports the Commission eoded last year, hut so far

recommendations. Part of the reason for this inaction is that the Commission was appointed by the Janata Government, whose policies and actions Mrs Gaodhi appears to be deliberately ignoring. This is creating pressures of the kind that led to last week's violence.

Such riots may not he contained so quickly next time. As Bomhay resident points out: a Bomhay resident points out.

"In any other country, there would have heen a revolution. the police agitation and the would have been a revolution, textile strike is symptomatic. There was widespread discontent, a massive strike, a muti-India's police forces hecause of nous police and an ineffective their corruption and high- and uppopular administration. handedness. In Bombay itself, If the combination recurs, the

South Korea joins protest at Japanese rewriting of history books

rampage in which several bun-

dred million rupees worth of

battalions of the Indian Army

and seven regiments of paramilt-

the upheaval under control.

tary forces two days to hring

A senior police officer acknowledges in hindsight that

the situation could have been better handled and the authori-

ties should have authcipated

Bombay was a prime flashpoiot

in view of the continuing eight-

goods were looted. It took three

recently when Japan re-wrote China-which has also pro- end of World War 11. its secondary school bistory tested against the re-writingtextbooks, which deal with the as soon as possible, but he gave include invasion by Japan of the no timetable. The formal Korean peninsula and the Korean protest through diploharsh, 37-year colonial administration which ended in 1945.

Ministry lodged a formal pro- accounts. test with the Japaoese ambas- Particularly galling to the sador in Seoul this month to Koreans is the designation of warn that relations between the Zenko Suzuki, the Japanese

KOREAN-JAPANESE relations, Mr Suzuki did say that efforts ments-in-exile were established control the local population and Hwan speaking on August 15, amount as official development of teo more uneasy than com- would be made to find solutions in Vladivostok and Shanghai, subjugate Korean culture at that Liberation Day, hiamed the assistance (ODA) loans at low where they remained until the time have been described in Japanese for the fact that the interest rates, and the

the 1919 independence movetwo countries could be damaged ment here as a "riot" in the unless Japan were to revise the new textbooks. After a textbooks. The three main declaration of Korean independence political parties yester dence on March 1, 1919, the day issued statements to Japanese army suppressed deplore the absence of specific demoostrations, it killed more measures in remarks by Mr than 7,000 Koreans and wounded almost 16,000, accord-Prime Minister, on Monday in ing to Korean historians. After used. Tokyo. Oth

Other revisions which prothe current protest include a description of the invasion of the peninsula as an 'advance" described as forced worship.

Koreans who were drafted into the Japanese army, or into other services, such as enterother services, such as chief-tainment of troops, are described in the current text as gathered for factory work or Tate in the occupa-Japanese ambassador in Seoui new texts say the Korean and Japanese languages were both

local newspaper accounts of Korean peninsula and people remainder Japanese rule. Pictures of an are divided today. The Japanese independence fighter with both army in the northern part of the arms severed, and of another peninsula surrendered to the deemed unacceptable by the an account of being executed with a chopper, Soviet army at the end of the Koreans, was \$1.5bn at ODA matic chaonels asked that Japanese forces promoting have rekindled old memories, Second World War, and another tration which ended in 194a. prompt and specific steps be Korean worship at Shinto and bave awakened new The South Korean Foreign taken to correct the historical shrines, which former texts reactions in those under 40 who

tion, the study of the Korean received a telephoned threat to language was banoed, but the his life.

grim years before the Japanese

In a strong statement to remind his compatriots that sed. effects of Japanese rule still in dispute. The Korean were t Other Japanese attempts to remain, President Chun Doo Government wants \$2.3bn of the either.

occupying army to the south of the 38th parallel surrendered to the U.S. That parallel hecame the houndary between North and South Korea.

textbook cootroversy comes at a particularly sensitive time, South Korea and Japan having just compromised on a year-old Korean request for controversy separate, it is now \$6bn (£3.4bn) in aid. Last waiting for the next Japanese month, Korea accepted Japan's offer of \$4bn in ald, but the are no indications as to what composition of the loans is still steps Korea might take if Japan

commodity

The latest Japanese offer, rates, with the rest as exportimport credits. According to a government official here, the export-import credits could be ohtained through commercial hanks and do not represent special concessions,

Although the Korean Government would like to keep the loan issue and the textbook controversy separate, it is now move on both matters. There are no indications as to what were to prove intransigent on

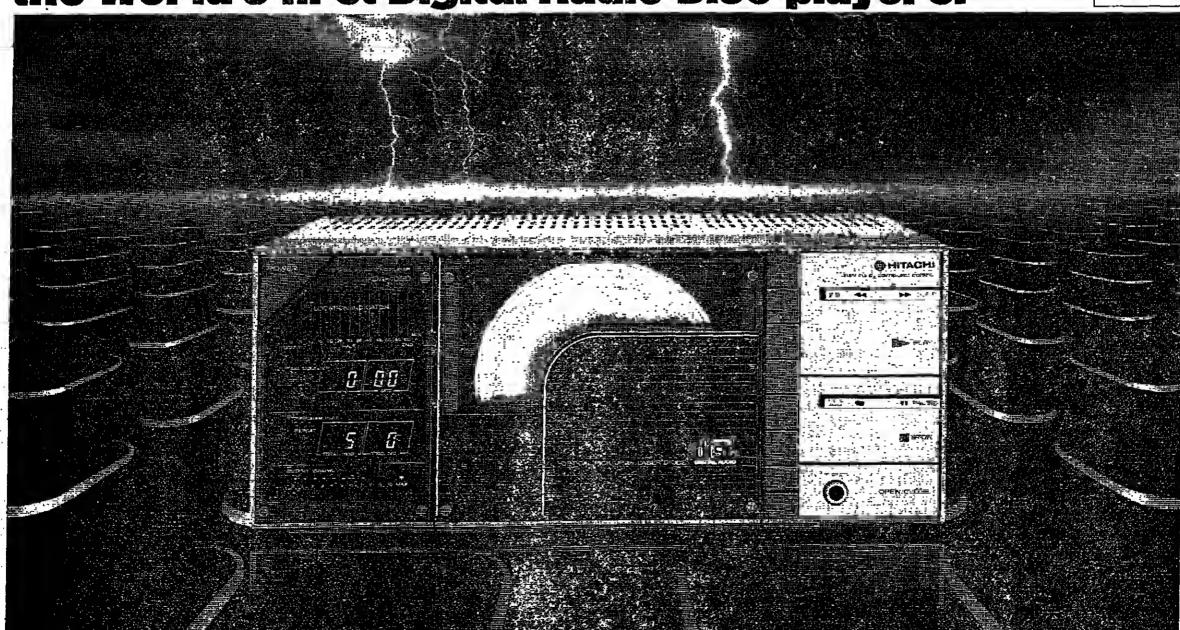
Gandhi backs Mauritius claim to Diego Garcia

PORT LOUIS — Mrs Indira Gandhi, the Indian Prime Minister, said yesterday her Government backed Mauritian ciaims to sovereignty over the island chain which includes the U.S. military base of Diego Garcia.

She told the Mauritian Legislative Assembly that India also supported the Mauritian camof the Indian Ocean. Mrs. Gandhi, on a three-day visit. said Indian and the new Leftwing Government in Mauritius had identical views on nonalignment, Southern African liberation movements and israeli "aggression" against the Palestinians

Mrs Gandhi is also due to visit Mozamblque on her tour and will stop off in the Sey-

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millimeter) To read these pits, a laser is beamed at them through a highly precise abjective lens. This light is reflected back (every disc will look like a mirron, split by a palarized beam splitter, focused at a photo detector then finally converted via semiconductor back into music.

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to ±0.01 micron! These and other advancements in optoelectronic and semiconductor technologies have allowed them to make the Hitachi DA-1000 not only one of the world's first commercially available DAD players but one of the most compact as well!

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Hitachi is spreading the computer revolution to music and the results are truly amazing. If compared to a conventional stereo, their new DA-1000 offers a far greater dynamic range. 1/100th the distortion. No record wear. And up to one hour's uninterrupted music from a single side.

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In developing the DA-1000, Hitachi applied the full weight

of their expertise and then some.

For instance, pioneer work in the new hybrid fields of mecha-tronics and opto-electronics as well as advanced IC and LSI technologies were all involved in creating the DA-1000's highly accurate (±0.01 micron) semiconductor laser pickup.

Overall, Hitachi engineers generated over 140 patents and patents pending in developing one of the world's first commercially available DAD players.

As proud as they are in their success at producing the DA-1000, it's just one example of Hitachi's commitment to improving the quality of life through technology. Right now,

Hitachi research and development technicians are working on hundreds of other promising projects - from large scale control computers to pocket-size ilquid crystal display

You see, Hitachī has a lot of new ideas about tomorrow.



U.S. and UK banks plan interest share-out

By Peter Montagnon,

CITIBANK is to begin sharing interest payments from Argentina with its British counterparis from the middle of next month if differences hetween the two countries have not been resolved by

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The move is seen as a major step forward by British hankers, who have been pressing for sucb a share-out since Argentina stopped paying interest to British hanks in the wake of the Falklands

They argued that when banks bave clubbed ingether to provide a loan in the syndicated credit market. it was essential for all banks to receive equal payments and a fundamental market principle would be undermined if one group of banks was singled out for non-payment.

But pro-rating, as the sharing out process is known in the banking community, haa taken a long time to become established as a prin-clple. Most banks have agreed to it but even new a few U.S. and Canadian banks are resisting British requests

for a share-out of interest Some British bankers said yesterday that Citibank's offer to begin pro-rata payments from the middle of next month still did not go far enough as pro-rata payments should begin promptly. Despite Citibank's state-

ment that paymenta will begin in a month's time. several British bankers are less than certain that the differences between Argen-tina and the UK will have been resolved by then.

Pressure hy commercial banks for a lifting of the assets freeze has been resisted np till now by the British Government. Although the situation is under review in Whitehall, It is still thought unlikely that the freeze will be lifted before Argentina formally agrees to a cessation of bostilities and lifts its own financial sanctions against

A lifting of the freeze is an essential pre-requisite for talks on rescheduling Argentina's \$37bn foreign debt. Reschednling is becoming all the more urgent because of growing payments arrears.

Argentine economy minister resigns amid rising tension

BY JIMMY BURNS IN BUENOS AIRES

THE PROSPECT of a major political crisis loomed in Argentina yesterday following the resignation of Sr Jose Dagnino Paatore, the economy minister.

A statement issued by a Presidential spokesman said that Sr Pastore had resigned because be believed he had failed to reconcile the country's warring sectoral interests. While there was no Immediate

sign yesterday that Sr Pastore's resignation would lead to similar moves by other ministers, his going has come at a particularly critical stage for the Presidency General Reynaldo Bignone, There is continuing speculation of deep divisions within the military as the background to labour unrest and a deepening economic crisis.

· Preaident Significantly. President Bignone has asked Sr Conrado Bauer, the Minister of Public Works to take over at Economy in a caretaker capacity. The move suggests that the President could take several days to find an acceptable successor to

No immediate statement from Sr Pastore was expected yesterday. But indications from the Economy Ministry sources suggested that the Minister bad disagreed in Cabinet over wages policy. It is understood that Argentina's foreign debt prob-lem may have been ao added point of friction.

Sr. Pastore resigned after the tha ministers of labour, public works, and social action, bad met to discuss the of salary increases planned for the private sector. Unions have stepped up pressure on the Government in recent days demanding rises of between 40 and 60 per cent. The hard-line elements within the Peronist-cootrolled General Confederation of Labour (CGT) have threatened to step up industrial action following the 24-hour national transport strike last week. Before Sr Pastore's resignation, an announcement was expected from President Bignone on all-round substantial

Formal negotiations on Argentina's \$36bn foreign debt



Pastore . . belleved to have disagreed over wages policy.

the future strategy believed to have come under consideration in the economy ministry is understood to bave brought Sr Pastore into conflict with other cabinet ministers but more particularly with the governor of the Central Bank, Sr Domingo Cavallo, Sr Pastore is believed to have favoured soma arrangement with the IMF—an assumption which may have prompted a less flexible attitude on the question

of salaries, Sr Cavallo recently said that he expected to settle the backhe expected to settle the back-log of \$2.3bn of deferred foreign debt payments by mid-September, using central bank-reserves and 650m of its SDR-quota in the IMF. But the Covernor indicated that Argentina would seek \$1bn in fresh credit to help meet the \$2.5bn in interest payments due in the second balf of 1982, withont a formal refinancing

agreement. Sr Pastore'e resignation takes place against the background of renawed pressure government from nationalists who are arguing strongly against any attempt to link Argentina's foreign negotiations with a stabilisation programma as has occurred in Mexico.

Sr Aldo Ferrer, who is one of the main opposition spokesmen on economic policy, on tional bankers wait for the ansterity package in Argentina on Argeotine assets. However, attempt to apply an IMF-backed ansterity package in Argentina would provoke a major college.

repeated the success of the F-27

turbo-prop, of which more than 500 have already been sold

Meanwhile, Fokker is etill

new-generation medium-baul

It is felt that the Dutch con-

have been completed at an esti-

The remainder of the contract

looking for a new international partner to replace McDonnell

useful.

airliner.

The British company has a jects, the steel railway-to link

contract worth £150m at 1976 the iron ore mines of Minas

Rothschilds Bank has pro- mated cost so far of approxi-vided most of the external mately \$1bn.

the Spanish state holding com-pany. The biggest share of the trial vehicle producer, Enasa,

Call for big boost to IMF resources

By Reginald Dale, U.S. Editor, in Washington

THE PRESTIGIOUS Institute for Intarnational Economies yesterday called for a large increase in the financial resources of the International Monetary Fund and sharply criticised the fund's lending policies over the past 12 months.

The institute, a private, non-profit making study group set up at the end of last year, said in its first report that the IMF quotas should be raised to at last SDR 100bn (\$110bn) and possibly as much as SDR 120bn. from the current level of SDR

Mr Fred Bergsten, a director of the institute, said that while the fund had enough money to come to the rescue of Mexico, it might not be able to cope two or three Mexicos. The institute arrived at the SDR 100bn-plus figure after a detailed analysis of the needs of fund members and the role it thought that the fund ahould be playing "in supporting a stable and growing world eco-

The fund is due to start discussing the next quota increase at its annual meeting in Toronto next month, with a target deadline for agreement of December 1983. Proposals range from a very modest increase by the U.S. to a doubling or more by the developing countries.

The report by Mr .Iohn Williamson, a senior fellow of the Institute and a former adviser to the IMF, said that fund lending bad dropped precipitiously since mid-1981, after commit-ments of as much as \$25bn to developing countries in the previous 18 months. Mr Williamson criticised the

cut, which was etrongly urged by the U.S., as "saverely detri-mental to the needs of the world economy in general and developing countries in parti-cular, in the light of the continuing large deficits of the poorer countries and their increasing difficulty in borrowing from private banks." He attributed the cut to

tightening of the fund's condi-tions rather than to any lessening in the needs of the developing countries.

The lending policies of the International Bionetary Fund (Institute for International Eco-

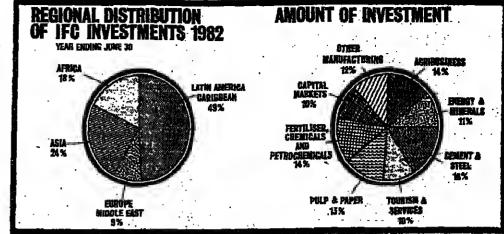
nomics, 11 Dupont Circle, N.W. he attended by senior financial Washington DC 20036, \$6.00). figures from governments in

Kellogg may

INTERNATIONAL FINANCE CORPORATION REPORT

Third World finance squeezed

BY DAVID TONGE, DIPLOMATIC CORRESPONDENT



loping countries saw their sbare of the total market shrink from 34 per cent in 1979 to 22 per cent in 1980 and 20 per cent last year. However, the report offers one glimmer of hopa when it suggests that Arab banks could become more active in the developing world

in the developing world.

to less than 60 per cent the Syndications led by Arah pervious year. But Mr Wuttke warned that many private lenders bave concluded that they bave reached their lending limits in certain The IFC report says that most of the large increase in borrow-ing from the international

rowers in the industrial nations. By contrast the non-oil deve-

-DEVELOPING COUNTRIES could find it more difficult to

obtain equity capital from foreign investors and loans from

system, Mr Hans Wuttke, Exe-

cutive-Vice President of the

International Finance Corpora-tion, warned this week before publication of the IFC's annual

The IFC is the affiliate of the

World Bank specialising in

making equity and loan assist-

ance to private sector ventures

in the Third World. On June 30,

the end of its 28th year of opera-

tion, the IFC's loan and equity

partfolio totalled \$1.5bn (f1.03bn) in 333 companies in

Its latest annual report

stresses the increasing impor-

tance of private capital in helping the Third World finance its current account deficits. In

1981, private capital constituted almost two-thirds of ttoal net external capital flows to

developing countries compared

over 70 developing countries.

banking

international

report today.

countries.

banks accounted for more than 20 per cent of Eurocurrency credits to non-Opec developing countries in 1981, compared to less than 10 per cent previously. The IFC has spent the past year reviawing now it could help developing countries avoid vagaries and high costs of

the Euromarkets. One scheme it supported was

the \$120m launched in 1981 in New York and London to raise funds for investment in securities io

This has performed disap-pointingly and the IFC is now exploring the possibility of underwriting Eurobond issues by Third World companies.

The staff of the 122-nation body say that it is trying to diversify its operations, but still around half its lending is to Latin American and Caribbean countries. It is also moving slowly in building up its port-folio in the agricultural sector. folio in the agricultural sector, tively small way to catalyse an area in which Britain's Com- investment from the Indusporation has long specialised.

IFC approved investments totalling \$612m, tha lowest level for three years. Its annual report blamee the drop on the adverse investment climate prevailing throughout the year. This particularly hit a number of large ventures such as steel and cement plants.

The total value of the projects in which the IFC became involved last year was nearly providing 63 per cent of this total and the IFC 21 per cent. It is thus only acting in a relamonwealth Development Cor-trialised world in the poorer countries which are lts concern

Mexico seeks doubling of quotas by IMF

MEXICO is to seek a doubling Latin America, the Caribbean, of International Monetary Fund Spain and the Phillippines quotas for the Third World, and Mexico hopes those governre-establishment of an IMF committee to channel oil profits to developing nations.

Sr Alfredo Phillips, Deputy Governor of the Banco de Mexico, said that the Third World nations needed apecial treatment from the IMF to help them deal with bigb intercet rates on a total debt which he eatimated at \$500bn (£285.7bn). He added that Mexico would seek support for this position at a meeting this week at Montego Bay, Jamaica. The meeting a regular, scheduled one before the annual IMF meeting at Toronto on September 6 — will figures from governments in

ments will take the proposal to Toronto. An IMF team is meanwhile

expected in Mexico City today to begin talks on a Mexican re-quest for some \$4.5bn of emergeory finance to tide the country over its serious finan-

The negotiations are politic ally sensitive locally, but so far labour leaders bave indicated that they will not rock the boat According to Sr Faustino Alba Zavala, one of the leaders of the official labour movement, the trade unions', main object tive in the coming months will be to preserve jobs rather than fight for high wages.

Inflation rate rise in U.S. decelerated last month

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE U.S. inflation rate, as May and June. The underlying measured by consumer prices, rate is much lower, and prob-was reduced in July after two abily well below the increase of months' relatively rapid in-crease. The Labour Department said that the July rise in the consumer price index was 0.6 per cent. There were increases of 1 per cent in both May and

The mid-summer bulge in the index followed months of minimal increases, and one slight fall earlier in the year. The July increase put the index 6.5 per cent higher than in July 1981, the Department reported. It said that the compound annual rate for the three

months to eod of July was 10.8 per cent. · · That figure, however, teffected

8.9 per cent last year. The White House's Office of Management and Budget recently predicted a year-on-year increase for 1982 of 5.9 per cent. Most of the deceleration in

uly was attributable to a slowing in the rate of increase by the housing, transport, food and beverage components of the index, the Department sald, The most notable factors were a deceleration in the rise of the cost of bouse purchase includiog reduced mortgage rates, a smaller increase in petrol prices and a decline in the price of The clothing index rose more

the unusually high increases in than in recent months.

WORLD TRADE NEWS

Garuda set to order 10 Fokker F-28 jetliners

BY WALTER ELLIS IN AMSTERDAM

Dutch alreraft manufacturer, mistic about prospects for 1982 mainly for services within its may be about to receive a boost as a whole. with an order for 10 of their The Rolls-Royce stipulation, if craft is a short to medium-haul F-28 jetliners from the Indo-correct, is interesting because operator which, despite an exneslan airline, Caruda.

placed a firm order for the air- requested. craft, worth some Fl 220m Garuda is said to have round the world. A major (£46.8m) fitted with eogines by ordered F-28 4000s, and older sale now could prove extremely

the Netherlands would confirm or deny the story. But Fokker of production. last week, in its half-year report.

It is understood, bowever. Douglas of the U.S., which did disclose that it had booked that the latest vereion of the earlier this year backed out of orders this year for the delivery engine specified could be made a deal with Fokker to co-build orders this year for the delivery engine specified could be made of 24 airliners and that negotia- available by Rolls-Royce, thus tions were continuing with a enabling Garuda to go through number of airlines for impor-tant new orders, including fleet Fokker bas already under-

the first six months of this year airline. Linjeflyg, and Ansett of sub-contract work, but talks of FI Sm-slightly up on the Australia. have also been going on with same period last year—and It is thought that the F-28S Boeing. same period last year-and

BY ANDREW WHITLEY, IN RIO DE JANEIRO

The remaining 170 km been placed.

being delayed for another 12 GEC.

months because of a lack of

have been postponed to the end

trucks, armoured personnel

cariers and huses.

Economy.

of the following year.

THE FORTUNES of Fokker, the expressed itself modestly opti- would be used by Garuda The Rolls-Royce stipulation, if craft is a short to medium-haul

the British company no longer cellent service record, has not According to yesterday's makes the particular engines for Financiele Dagblad, Garuda bas the F-28, which the Indonesians

Rolls-Royce. versions of the Rolls-Royce. Neither Fokker nor Garuda in engine suitable for this model. versions of the Rolls-Royce the RB 183, recently went out

int new orders, including fleet taken to fit the modified engine lot with Airbus Industrie, for in F-28s ordered by the Swedish which it already carries out

Brazil's £1bn railway delayed

COMPLETION of Brazil'e major This further delay to a finance for the project. railway project the \$1.5bn troubled project, originally due Railways have always been (£1.05bn) steel railway, for to be completed in 1978 three accorded a low priority in Brazi-which GEC of the UK is the years after work began, will llan transport policy. At a time

which GEC of the UK is the years after work began, with the principal foreign supplier, is come as a disappointment to of severe Government cut-backs on virtually all developed pro-

A senior Transport Ministry pricee to provide dlesel loco- Gerais state to the big steel

official said this week that the motives and other equipment complex at Volta Redonda near first 130 km section of line for signalling, telecommunica- Rio de Janeiro-was bound to

between Bom Jardin and Volta tions and, later, the electrifica- be a casualty.

Redonda will only begin tion of the railway. Orders for operating in the second half of 35 locomotives have already works on the entire 300 km line

Egypt, Spain ratify \$1bn deal

EGYPT AND SPAIN has rati- All the equipment is being under a separate arrangement, fied a \$1ho (£588m) deal for supplied from within the group provided by U.S. groups. Spanish naval vesaels military of companies controlled by INI, the Spanish state helding the controlled by INI and the controlled

ariers and huses.

contract has been won by the and consists of 3,000 military
The deal—Spain's biggest naval ahipyard, Bazan, which is trucks, 600 four-wheel drive

ever military export order-was . to supply two corvettes and six amphibious APCs and 200 busas.

finalised last month but was formally ratified over the weekend in Cairo by Sr Juan Antonio anxious to buy two more cordinated Diez, the Spanish Deputy by Spanish Deputy wettes, each costing \$140m. The naval options and spares, could

Premier and Minister of more sophisticated armament raise the eventual value of the

for the vessels is to be supplied deal to \$1.4bn.

win LNG maintenance contracts By Francis Ghiles, recently in immense archipeligo. The air-

ALGERIA's state oil and gas monopoly, Sonatrach, is expected in choose Kellings Plant Services Inc for the maintenance of two Liquefied Natural Gas (LNG) plants at Arzew, the major hydro-carbons base in Western Algeria.

At the LNG 1 plant in Arzew, Kellogg Plant Scrvices, a subsidiary of The MIV Keilogg Company of Houston, would replace El Pasn Engineering Services, a sub-sidiary of El Paso Natural Cas, which will have pulled nut its staff of about 100 by the end of the munth.

Kellingg Plant Services would also provide maintenance services at the \$1.2bz (£705m) LNG plant at Arzew With the expected start-up of a contract for Trunkline of the U.S. and increased ahipments of LNG to Belgium, both plants abould be working a higher capacity than ever

The two maintenance contracts are worth an estimated

Sonatrech is currently taking bids for a \$75m worth of work to supply and install boilers at the LNG 1 plant, work which is designed to increase the throughput capacity of the plant.

India to help plan oil field By Our New Delhi Corresponden

India has won two consultancy service contracts worth \$347,500 (£204,411) for study on an oil field in Irac and for prospect evaluation of an offshore hasin in Sri Lanka. According to Col S. P.

Wahi, chairman of the Oll and Natural Gas Commission, the ONGCY had signed a contract with Iraq's National Oil Com-pany for the study of the Ain Zath oilfield in Iraq. Work on the contract, worth \$247,500 would begin by the first week of October.

The ONGC will sign a \$100,000 contract with Ceylin Petroleum Corporation in a week's time for consultancy services for prospect evaloation of the Palk Bay and the Gulf of Mannar offsbure hasin near Sri Lanka.

Big contracts are luring a host of companies, writes Francis Ghiles

Algeria enjoys a building boom

CONSTRUCTION COMPANIES operating in Algeria are cur-rently enjoying a building boom unprecedented since the country became independent 20 years ago. To catch up on an 450,000 new homes are to be built during the current Five-Year Ecocomic Development Plan (1980-84), as many as were completed in the 13 years

The bousing budget this year is \$2.2bn (£1.26bo), \$1.7bn of which ie accounted for by prefabricated homes—the import of kits for such homes made up 10 per cent of Algeria's total import bill in 1981. The construction of new towns and the modernisation of existing town centres in places

such as Algiere and Constantine, the bare bones of which will cost \$2.5bn over five years, provide another big market for the construction industry. These will involve contracts for schools, hospitals, public transport and sports facilities, The wealth of contracts to be won has attracted a bost of international companies, very few of which are British. French companies, such as

Bouygues and Dumez, have done very well as bave Caoadian companies such as Treco. In June, a draft agreement for the construction of nomic policy which recognises 60,000 homes has further the buge backlog in social and widened the French share of consumer needs. the market.

many contracts, the latest batch the Government's social and

ALGERIA'S PLANNED HOUSE COMPLETIONS, 1980-84 (in thousands)

Houses in progress* (from earlier housing programme) New programmes 75 46 121 450 150 300 Total * Not all these houses are under construction. Some are still under study.

Source: General Report on the Five Year Plan, 1980-84

to have achieved anything like concerned. the 20,000 housing units, worth Cildway has completed a £5m cootract for 400 housing units cent growth io population is not and Cosalt Adda won two con- checked. tracts worth £8m in all, but tion Croup - wblcb include Wimpey, . Cementation, McAlpine and R. M. Douglas and the Algerian government

The present building boom is characteristic of the more relaxed rule of President Chadli Bendjedid. The austere grip of the late President Houari Boumediene, which bad focused his attention on providing his country with a heavy industrial base, has given way to an eco-

bave yet to bear fruit.

Italian companies have won adequate housing a key point of are raised, particularly where and concrete heams. Money, Algerian authorities

UK companies do not appear more and better housing ie At \$1,920, Algeria's per £200m, for which the UK and capita income was the fourth Algerian governments signed largest in Africa last year, but an agreement in October 1981, it will not be able to continue growing if the anoual 3.2 per

The magnitude of the challong drawn-out negotiations lenge is daunting, but the \$14bn between the British Construccurrent plan underlines the boldness of government intentions. The official target of 450,000 new bomes by 1984 is not likely to be met, but official figures oo the number of new bomes completed underestimate

the real figure.
This is because the boom is not limited to state-backed or council-flat type building. The, wealthy, sector is also building: the middle class are putting up

which had been stashed away in the later Boumediene years, is coming out and, in its wake, creating many new jobs.
Building oew towns inland and encouraging new housing

and schools in the villages bas the added advantage of stem-ming the exodus from rural The decision to encourage a large housing programme was

taken three years ago but it was the earthquake which wrecked the city of El Asnam in October 1980 which brought the programme to life. A massive operation was mounted to rebuild El Asnam now re-christened El Chelif and by November 1981, 20,000 bouses bad been built

There are a number of reasons for the small degree of British success. First, its a lack of familiarity with the marketby the belief of British officials io Algiers in the middle 1970s that Algeria would soon be bankrupt. Second, there is a feeling that profit margins in the country are too thin, if gained in Saudi Arabia and the Gulf. Third, there is a lack of drive and organisation.

The British authorities, both large houses while poorer in London and on the ground in people are adding a room or Algiers, have completely two to their dwellings.

Cities like Tlemcen, which President Chadli bas made liee close to the Moroccan prepared to match, in credit and frontier, appear to be doubling other conditions, whatever in size. Most of the new build- terms other European and of which, awarded a month ago, economic policy. Algeria's popularings are rather large and companies may lation has doubled to 20m since independence but the problem of Nikex have independence but the problem of Nor is the boom limited to the large and companies. They are not recently won orders for 1,000 of birth control cannot be cities. Every village seems to alone in hoping for a greater and 1,700 apartment contracts addressed until living standards be sprouting re-inforcing rods British presence: so do the

U.S. exports to Algiers increase by 20%

BY FRANCIS GHILES

U.S. EXPORTS to Algeria was due to much larger than to the U.S. should earn Algeria's attaches to this market is increased by 20 per cent during usual importe of U.S. wheat to state oil and gas company, underlined by the fact that

Morocco are expanding even bought by U.S. companies.

year, to \$417m (£245m) accord- last year which followed the

Following the 32 per cent to Algeria should belp reduce and earthmoving machinery, Tunicia only imported \$87m increase in U.S. exports last the \$4.3bn bilateral trade oil field equipment, electric worth of U.S. goods during the year, this could make Algeria a deficit notched up last year. The power machinery, aircraft and first five months of this year. Slbn-y-year export market for bulk of U.S. imports are data processing equipment. a little less than during the too U.S. by the end of the current year.

Exports to neighbouring of Algerian crude oil has been struction and maintenance of Five-Year Economic Develop-

the first five months of this compensate for the poor harvest Sonatrach, \$2bn or more in 1982, three U.S. trade missions will The principal U.S. exports to visit Algeria before the end of ing to the latest statistics worst drought the kingdom bad Algeria outside grain are made the year, specialising in transreleased by the U.S. Department known this century.

up of mechanical handling port, construction and water of Trade.

The increase in U.S. exports equipment, construction, mining resources.

LNG plants, pipelines, com- ment Plan this antumn ahould faster. They doubled during the first five months of the year to \$190.7m. Much of this increase the flow of first five months of the year to \$190.7m. Much of this increase fied petroleum products (LPG), The importance the U.S. Tunisla.

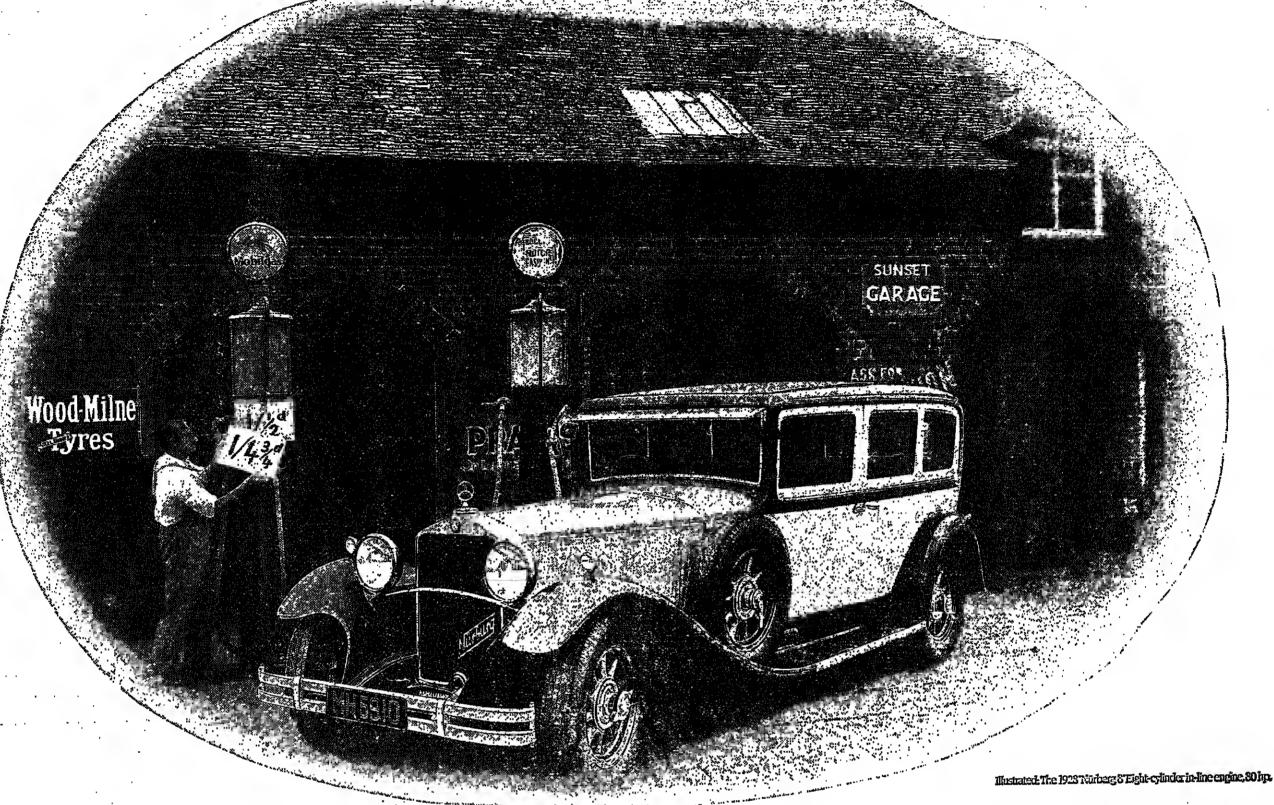
T.S.

Fhiles

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هكذامن المجيل

In 1928 Mercedes-Benz spotted a trend.



In 1981 Mercedes-Benz introduced the Energy Concept, but it was an idea originated by Mercedes-Benz engineers more than fifty years ago.

In the late 20's and early 30's the world first saw unusually large rises in the price of petrol. Spotting this trend in 1928, Mercedes-Benz decided to do something unusual for that day and age-design cars with a regard for fuel consumption.

In 1931 they introduced what could be regarded as the first expression of the Energy Concept: The Mercedes-Benz 170. It was not only one of the world's first cars with swing-axles, it also had an overdrive to lower engine speed by 30% and fuel consumption by 20%.

1936. The Diesel arrives.

In 1936, despite other manufacturers' overwhelming preoccupation with petrol engines, Mercedes-Benz introduced the world's first production car with a Diesel engine—the 260D.

It was less greedy and likely to last longer than petrol-engined cars of the day. It became the foundation of the Mercedes-Benz reputation as the pre-eminent builder of Diesel cars. And in the mid-fifties Mercedes-Benz developed and introduced petrol injection in the 300SL. The resultincreased performance without a significant increase in consumption.

1979 Amazing aerodynamics.

The new S-Class range, unveiled at the Flankfurt Motor Show in 1979, possessed aerodynamic characteristics never before

obtained in that size of car. This was just one of the reasons why the fuel consumption figures were amazingly low.

It also had redesigned, light-alloy V-8 engines that increased performance while actually lowering fuel consumption significantly.

The Energy Concept took another giant leap forward. Petrol kept going up in price.

1980. Higher performance on less fuel.

This was the year Mercedes-Benz introduced the new four-cylinder engines for the 2 and 2.3 litre series.

These short stroke engines, with cross-flow cylinder heads, attain their maximum torque at low engine speeds. In other words, they can be driven in high gear at low speeds with less engine stress.

Engine noise was reduced and, because fewer gear changes were required, there was less stress on the driver too.

And all the while, petrol was becoming even more expensive.

The Mercedes-Benz 'Energy Concept' today.

The challenge of the Eighties, for all car manufacturers, is to build vehicles that are even more fuel efficient.

The challenge for Mercedes-Benz is to make quality cars that are not only fuel efficient but <u>also</u> offer the high degree of safety and comfort that people have come to expect from the marque.

This challenge has been met. As you can see from this chart of fuel consumption figures, their frugality is impressive. However the character and integrity of the cars is still uncompromisingly Mercedes-Benz.

Nowhere is the Energy Concept' better expressed than in the current S-Class.

This car requires less energy to build, advanced alloys make its V-8 engines more frugal yet more powerful. Its famous aerodynamics not only aid fuel economy but also road holding and stability.

Through the innovative use of special steels and aerospace plastics and alloys, the S-Class is not only lighter, but stronger and safer. It has more seating room, improved visibility and a remarkably quiet ride.

In 1982 many manufacturers have an 'Energy Concept'. The Mercedes-Benz 'Energy Concept' has been around for more than 50 years.

Engineered like no other car in the world.

BP Oil to close Belfast refinery

marketing arm of the BP group, shipyard, is to close its loss-making emphasise Beifast refinery; the smallest of its three remaining . UK

The company annouoced the decision in Belfast yesterday after several years of losses at the plant. Mr Ian Walker, chief executive of BP Oil, said that recent losses bad ruo at about £4m a year.

He pointed out there was a substantial and continuing sur-plus of capacity in the UK and Europe from larger and more sophisticated plants.

tend

still

More than 100 BP employees are likely to lose their jobs because of the closure, which will also affect 90 workers em-

BY RICHARD JOHNS

a sixth managing director.

British Gas Corporation for thetic.

bigger sources of natural gas is

yesterday, covering purchase,

No official comment was avail-

able from the corporation about

BY LYNTON MCLAIN

published yesterday.

of London.

3rd qtr. 4th qtr.

2nd qtr.

August Septembe October

Novembe

1982 Ist qtr.

1982 January

March

THE VOLUME of Britain's

exports appears to bave been

declining in the last six

months, while the volume of

imports has risen. Seasonally

adjusted, the balance of pay-

ments figures show a fall of 11 per cent in the volume of

1981

THE men1

main with

duag beins

accus

deres

incur

capture a "significant propor-

tion of inter-city business pas-

sengers, according to a study

The study was commissioned by the London Docklands De-

Economic and Planning Transport group of independent con-

sultants. It follows a proposal

from Brymon Airways and John Mowlem, civil engineers, for a

"short take-off and landing alr-

port" in the former Royal

Docks, six miles from the City

Brymon Airways, the inde-pendent West Country airline,

new one of its de Havilland

Dash 7 short take-off and land-

dockslands of east London could flights.

BP OIL, the UK refiniog and Harland and Wolff, the Belfast But BP Oil emphasised that it would continue to employ 150 people in its marketing activities in-Northern Ireland, where it has more than 100 filling stations.

> Mr Walker said the decision to close the refinery was not a withdrawai from the province, which was one of the areas where the company hoped to expand its sales activities.

The Belfast refinery, built in a capacity of 1.5m tonnes of crude a year. For the past 18 months it has operated only intermittently and at minimum products since May and it will

British Gas appoints sixth director

The recently-passed Oil and

third-party customers, thereby

its interests in five North Sea

BGC has had discussions with

Study backs docklands airport

The development of the Royal

Docks on the north bank of the

Thames opposite Woolwich 'is

extremely important to the Lon-

don Borough of Newham and to the whole of docklands," Mr

Reg Ward, the chief executive of

Options were examined for

services provided by helicopters, airshlps and short take off and

landing aircraft, Alrships were

considered an "unlikely possi-bility" in the sbort term; the

Short take-off aircraft had a

significant advantage" over

helicopters in providing aviation

facilities for passengers and

BALANCE OF TRADE

tbree-month periods February

erratic items, the picture re-mains broadly the same. The

volume of imports rose 1} per

cent while the volume ex-

Announces that the following interest rates will apply

to investment accounts from 1 September 1982

The rate of interest on all existing Capital Bonds will be reduced

by 1% from 1 September 1982. The guaranteed extra interest

Head Office: New Oxford House, High Holborn, London WC1V 6PW.

paid on all existing Capital Bonds continues unchanged.

Ordinary Share Accounts

Capital Bonds 18th Issue

(minimum £500)

(minimum £500)

Deposit Accounts

Bonus Account

Subscription Share Accounts

ports fell 1 per cent.

Excluding trade in oil and

lo April and May to July.

+273

+707

Nationwide

Building Society

report said.

12.921

ing aircraft from a docklands freighl. Helicopiers were more wbarf in June to demonstrate obtrusive environmentally.

£m seasonally adjusted

47,396

AN INTENSIFIED search by very much less than sympa-

signified by the appointment of Gas Act opened the way for

exploration and development of natural gas, will be filled by Mr Robert Evans, formerly chairman of Midland Gas. His realial order made by Mr Nigel Lawsoo, Secretary of State for to expedite the sale of

the strengthening of its execu- at least six North Sea operators

tive team. But the new appoint- about the development of offment is generally acen as a move shore discoveries in the hope of

to fortify BGC in the face of a preventing a shortfall of aup-government regarded by it as plies by the 1990s.

AN AIRPORT in the disused the feasibility of inner city

sixth managing director. sales of gas by companies. The new post, announced operating in the North Sea to

with a capacity of 8.5m tonnes, and Llandarcy, south Wales, profitably, which can bandle 52m tonnes.

reficery in Kent closed last month, lopping 10m tonnes off its annual refining capacity.

The Belfast closure will reduce refining capacity in the UK to 113.5m tonnes compared with product market reckoned to be in a range of 66-70m tonnes. BP Oil ranks third as a distributor after Sheil and Esso.

Mr Walker said: "The losses we are making mean we can levels. It has not refined any no longer afford to operate small-scale refineries which canployed by outside contractors, now be demolished before the not compete in today's including 60 skilled staff from end of the year.

markets." The decision had

Mr Evans will also look after

the corporation's international

consultancy services. The cor-

poration has confirmed that it

is undertaking a feasibility study on behalf of Dubai, one

of the United Arab Emiratea, to

assess the extent and utilisation

of the gas field discovered ear-

lier this year by Atlantic Rich-

Mr Evans joins other manag-

ing-directors responsible for fin-

ance, marketing, production and

supply, personnel, marketing

His career spans 30 years in the industry. A mechanical en-

gineer by training, be joined the North Western Gaa Board

The development corporation

is to seek the opinions of the local people before taking

further action on the proposal

It intends to make a formal

planning application in October if there is wide sup-

A final decision could be

The Joint Docklands Action

munity groups, trades councils,

tenants associations and trades

unions in the area said it was

not convinced an airport could

regenerate the docklands area.

about claims by the develop-ment corporation that between 4.200 jobs and 5,000 jobs could

be created by the airport by

130.0

132.9

127.1

125.7

7.75% 11.07%

9.00% 12.86%

9.25% 13.21%

8.75% 12.50%

7.50% 10.71%

The volume of non-oll im-

ports in the three months to

July was some 8 per cent above the 1981 level, 13 per

months to July than the 1980

Non-oil exports were about

cent above the 1980 level.

Exports Imports
Volume seasonally adjusted
1975=100

120.6 123.2

120.2 124.8

135.6

126.1

124.0

The group was sceptical

representing com-

port for an airport.

and economic affairs.

the North

On a fuil current cost an operating loss of £126m in 1981. In the first quarter of this Walker said the company forecast that even when the recession ended there was unlikely to be any dramatic upturn in UK demand for oll products.

The Transport and General Workers Union, which represents most of the employees at dancy terms with the company today.

There is likely to be con-sternation among Unionist poli-

BP's remaining UK refineries been deferred as long as pos- growing withdrawal from the are at Grangemouth io Scotland, sible in the hope that some province of companies which way might be found to operate have their headquarters in

Nick Garnett writes: Shell has The company's Isle of Grain accounting basis, BP Oil made abandoned the last site in its current onshore drilling programme, having failed to find year it lost a further £24m. Mr nil in extractable quantities from the eight wells it bas

> The company said yesterday that it had completed test drilliog at Blacon, near Chester, and would be pulling out the well casing before restoring the site.

Only Wytch Farm in Dorset the refinery, will discuss redun- produces nil in sizeable quantities on the UK mainland, although there are production wells in a number of other areas, especially within the East

CEGB favours Hinkley Point for next N-plant

BY RICHARD JOHNS

Bridgwater in Somerset, is expected to be named by the Central Electricity Generating the next nuclear power station to be built.

CEGB listing three or four chaices for the location of the the next decade is to be made

priority because the region is most- vulnerable to breakdown

The proposed Hinkley C plant would be the third in the com plex near Bridgwater. CEGB intends to proceed with its construction after what it hopes will be a favourable conclusion by the inquiry scheduled to start in January into the safety of the controversial pressurised water reactor to be built

at Sizewell, Suffoik. The board's expected choice of Hinkley as its favoured aite comes after fierce opposition to covering the south-west of the tentative moves to locate country is considered the first plant at Luxulyan, Cornwall where a sit in by protesters led

GLC to spend £100,000 on transport survey

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

THE Greater London Council unhappy about the proposed to organisations with an interest plans an independent public.

The leaflets: explain five difing of London Transport, rang-ing from the "break even" The effects on services.

Invited to state their preference pares legislation for the new by 6 per cent. session of Parliament on sub-

plans to spend nearly £100,000 legislation, which will introon consulting Londooers on the duce a degree of Covernmen future of London Transport. It control over fares in cities, will distribute 100,000 leaflets Reserve powers enabling the in public transport and also take control of London Trans-plans an independent public port away from the GLC will also be included in the Bill.

The GLC will forward the ferent approaches to the financ- results of its survey to Mr David Howell, Transport Secretary, next mooth. The Labourinterpretation put on the Law controlled council has already Lords' decision to the GLC's made it clear, however, that it original "Fares Fair" policy. would prefer a return to the

Fares Fair " approach. employment, fares, and rates. The leaflet says fares in 1987 are listed and Londonets are would be 65 per cent below The leaflet says fares in 1987 The survey is being con-ducted as the Government pre-pares legislation for the those today if this approach was

sidy guidelines for the metro- estimated at an average of 52p politan authorities, including a week with Government sup-the GLC. The authorities are port and £1.85p without it.

Scottish bank group to integrate operations

- BY WILLIAM HALL, BANKING CORRESPONDENT

tions of the two banks more facilities.

liams and Glyn's Bank, has been appointed group marketing adviser, and will be responsible

for developing joint marketing Mr Sidney Procter, appointed group chief executive in February, said yeslerday that since the merger of Williams and Glyn's and the Royal Bank of Scotland in 1969-70 the two banks have been operating as two virtually autonomous

The two appointments to the ting the two banks on to a converging course and integrating their working methods," said Mr

THE Royal Bank of Scotland with the Royal Bank's data pro Group, which controls the big-cessing operation and his task gest bank in Scotland and the will be to harmonise the comfifth biggest English clearing puter operations of the two bank, is to integrate the opera-banks to avoid duplication of

Mr Bert McKim, of the Royal will be to provide a full elec-Bank of Scotland, has been tronic data processing (EDP) appointed managing director of service for both banks; provide develop and integrate the computer developments for the puter systems of the two groups, and Mr Geoffrey Naulon of the two hards. for the group's EDP systems.

A new group aervices company headed by Mr McKim, 54, will be formed and start operat-

ing in early October.

Mr Naylor, 56, is to relinquish his responsibilities as head of Williams & Glyn's marketing operations and take charge of the group marketing effort.
The Royal Bank of Scotland Group came in for considerable

criticism last year while it was on the receiving end of rival £500m takeover bids by Stangroup's small hesoquarters staff dard Chartered Bank and the are the "first major step io get- Hongkong & Shanghai Banking Corporation. Both bids were rejected by the Government ear-lier this year and the Royal Bank of Scotland Group has Mr McKim bas spent 22 years bad to reshape its strategy.

Fewer Britons holidaying abroad

By Arthur Sandles

British holiday-making overseas has fallen between 5 and 6 per cent numerically and as much as 8 per cent in cash terms, according to Pickfords Travel, one of the largest travel agency chains. Mr Richard Gapper, manag-

ing director, says this is ominous news. "I know the effect this is having on my company and it reinforces the deep concern we have over the viability of these retailers, large and small, less well equipped to face these difficult trading conditions."
Pickfords has 197 travel

agency shops. These saw an early season fall in the amount of money people were willing to spend on inreign halidays. From Easter the figure fell from an average £173 per holiday to £165 in June. The figure rose as the year progressed, but the most recent average of £198 is still

below the equivalent 1981 figure of £230.

Mr Gapper says the figure rose, parily because of a surge in late bookings,

"especially to Spain, which caused an unexpected short-age in availability and created a spin-off demand for Greece and Italy." There has been a rush to "household name" tour companies. "I believe this reflects a desire on the part nf holidaymakers for the re-

feeling of financial security associated with the larger heliday companies," says Mr Gapper.

Outlook gloomy ·

THE economic outlook for Scotland is not encouraging, according to a quartly eco-nomic forecast from the Fraser of Allander Institute at the University of Strathciyde:

Comparing 1981 with 1980, autput in Scotland feil by 5.8 per cent compared with 6.7 per cent in the UK = a whole.

of companies working below capacity increased from 71 to

75 per cent. The institute did record a slight improvement in labour demand. Short-time working dipped sharply while the number on overtime registered a small increase.

Rebates to rise

ABOUT 3m people will benefit from increases in rent rebates, rent allowances and rate rebates, to be made in

The increases, subject to Parliamentary approval, will mean that a tenant with a wife and two children in school paying rent of £13.72 and rates of £5.15 per week, with carnings of £96, will get rebates of £15.21 against £11.83 at present.

The Environment Department said: "The changes will benefit all recipients, especially those on low earnings."

Asbestos limit cut

The Government's Health and Safety Commission is to balve the amount of asbestos dust allowed in factories. The new legal limit is now one flore of asbestos per cubic centimetre of air. The decision will be formally aunounced by the commission in a few days, and is likely to be imposed from the begin-

ning of next year.

The commission's decision fallows the recent controversial television documentary about an alleged asbestos dust victim, "Alice—a Fight for

Videorecorders

BECAUSE of a printing error the article on videorecorders on Page 1 of yesterday's Financial Times said incor-rectly that deliveries of videothe first six months of the year compared with the same period in 1981 had risen by 13.5 per cent. The correct percentage is 135 per cent.

Pressure to reflate likely to intensify

put more pressure on Government lo introduce a review in November.

The figures showed a rise to nearly 3.3m unemployed. They 19.4 per cent this month. will intensify the struggle in the Tory Party between the the Government to stick to its original policies.

There is likely to be a strong

bated at the party's annual con-ference in October. There could also be a fierce debate when Conservative backbench Commons resumes for the autumn spill-over.

Mr Jim Lester, Conservative MP for Beeston, and former iunior Employment Minister, said the rise in unemployment was a further reason for Sir Geoffrey Howe to announce in the autimo thatt he Government. would abolish the employers' National Insurance stricharge, raise tax threshholds, give rate relief to industry and com-merce, and introduce further measures to help the long-term

May Wilkinson writes: The inderlying unemployment figure in August reached a record of 2.987m. 12.5 per cent of the interest rates working population. This com- thrown away."

THE INCREASE in the August pares with 11.1 per cent a year unemployment figures an earlier. Both figures were nounced yesterday is likely to seasonally adjusted and exclude the school-leavers.

In the past year the fastest flationary package as part of rise in unemployment as a pro-the Chancellor's economic re-portion of the working population has been in Northern Ireland. It rose 2 per cent to

and North-West had increases wets" and those who want of 1.6 per cent. These two regions aiready had the highest proportion out of work. The next fastest increases were in tlash when the economy is de- East Anglia and the West Mid-

Lower than average rates of increase were recorded in Scotland with an increase of 1 per finance committee meets on cent of the workforce on the October 19, the day after the register, and the East Midlands

John Lloyd writes: The Insti-tute of Directors yesterday issued a 10-point plan to aid the Government in combating . It included a call to abolish

wage councils, further develop-ment of youth training schemes to accommodate the half-million school-deavers in 1983-84, relaxed restrictions on trading hours, and an end to rent-fixing through rent officers and tri-My Walter Goldsmith the institute's director general, said the Government's achievements lowering inflation and

"must not be

OBITUARY

Mr Angus Murray

MR ANGUS MURRAY, chair. Engineering Employers' Federaman of Redman Heenan Intertion. He was a great advocate national and a well-known of increased professionalism in

Mr Murray had been closely directors. In 1978 be was brought in by career the National Enterprise Board Engineers. as chairman of Fairey Holdings. He remained in this position the P-E Consulting group, until Fairey was sold to Doubton where he spent nine years on (part of the S. Pearson group), a variety of assignments. In

He held several other direc-Institute of Directors and the aons.

figure in industry, died on management and a strong pro-Monday following a short ill-lagonist of the vital role played ness. He was 63: independent outside involved with Redman Heenan He was born in Scotland, and since 1971, and was also chair graduated in mechanical engin-

man of Candover Investments; eering from Glasgow University management buy-out specialists, after a distinguished war In 1978 be was brought in by career with the Royal

After graduating, he joined the P-E Consulting group. when he became deputy chair. 1970 be was invited to join the man of Fairey and joined the team of industrial advisers board of Doulton. headed by Sir Ian Morrnw at Hambros Bank which led him torships, and committee to Redman Heenan in 1971.

appointments at bodies such as He leaves a widow and two

OBITUARY

Sir Lawrence Robson

former president of the Liberal Party, died yesterday at his home, Kiddingtoo Hall, near Woodstock in Oxfordshire. He

Sir Lewrence was a senior pariner for many years with Robson Rhodes, the international firm of accountants.

He was knighted in the he married in 1940, was made

SIR LAWRENCE ROBSON, a Lawrence leaves a son and two daughters. He served as president of the Institute of Costs and Works

Accountants, as a member of Lloyds, and of the Council of the Institute of Chartered Accountants.

business interests. In 1977, he made an interest free loan of He was knighted in the £50,000 to the struggling Queen's birthday honours in National Liberal Club to help June. Baroness Robson, whom preserve it as the headquarters of the Liberal Party organisa-

A balm for sore noses and company sales prospects

IF YOU ARE running a small company in a complex product market dominated by big companies, what must you manufacture to make the best return on

In this case the market is the product strategy. not particularly, attractive-one Knaresborough targely to make and, sell, the company's own branded pharmaceutical pro- incretive are those geared to

"We try and go for big sales the

big, broad product areas."

The recent launching of a the company's strategy for its manufacture goods whose con-products, which include creams tribution to total turnover is used on virtually every part of relatively insignificant.

Nick Garnett on a manufacturing chemist's product strategy the body from toes to scalps. It The importance of tiny mar- its main profit spinners. These

been addressed by J. Pickles and a quarter this year, and it has the Pickles product did badly. Sons, which employs 50 people anatched a few big export "We sell damn all of it in the North Yorkshire town of orders from the Middle East People just pass it over and within the past two years.

Out of its 37 brands, its most 'Horner. rather restricted allments where Pickles's stab at users of lip- Last year it picked up exports of the big manufacturing salve. The company once sold £177,000, mainly to the Middle chemists generally have less its Liptrex and Lipgarde East. These were largely based in small niches;" says Mr. Simon chemists generally have less Homer, the managing director, opportunity for cornering the

We don't go for small sales in market with a big brand name, big, broad product areas."

Nevertheless, the company still sells general product lines cream for noses made raw by a like rubbing creams, partly be-beavy cold is one element of cause it is small enough to

A similar fate befell J. brands at the rate of 25,000 dozen a year. But there is now such a proliferation of lipsalve oitment for bables' skio, and brands that it has swamped the 300,000 phials of tooth tineture. Pickles products and virtually a small company.

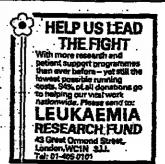
underlines the fact that even in ket niches to small companies include olutment plasters and the unpleasant world of spots like J. Pickles was brought corn rings for verrucas, a belfand verrucas, you must have a home to the company by the strength vapour rub for babies fate of two of its products. One called Snuffle Babe, a cream for the simple expedient of sending was a general antiseptic cream chapped bands and a medicaof aching feet, sore noses and in the past year from £840,000 to compete mainly with ICTs ment for scurf patches on skin rashes. The question has to film sales are up by almost Savion. Despite a lower price, babies' heads. The biggest slice of its turnover still comes. from Pickles Ointment for corns and hard skin.

ask for Savion." says Mr The company's export per formance to some extent stands out at variance with home sales. on more generalised productsointment for babies' skin, and oitment for bables' skio; and

That reflects the level of buykilled off that market for such ing sophistication in some export markets but, in line with J. Mr Horner points to more Pickles's own view of what the tightly marketed products as company should be concentrat-

ing on, these sales generate a relatively low profit.

It also shows what a tiny company can do in the export field Pickles bas a small UK sales team, but its exports have letters to potential foreign buyers, the leads to which are normally supplied by the British Overseas Trade Board and other UK-based trade organisations.



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Glasshouse companies face heavy pruning

THE 1983 glasshouse season last year, would welcome such remain a thorn in a the side could be the last for many an extension. However, he be- of the UK industry even if their

A large section of the industry is claimed to be on the brink of bankruptcy, as growers face what they believe is unfair competition from the Dutch.

"The situation is very scrious," says Mr I. R. Cummings, chairman of the National Farmers' Union glasshouse committee. "Crowers have been starved shown no effect so far on the of profits for the last two or area under glass, which has rethree years and same units have already gone nut of produc-

failures in the autumn when operators who have seen their cash reserves whittled away find they cannot raise the capi-

The immediate problem for the industry is that Dutch growers pay far less for heating fuel than the British. Their subsi-dised fuel prices, which are claimed to give them a £10,000 an acre advantage, have been ruled illegal by the European Court. The prices will be brought in line with the rest of Dutch industry in April next year. But they will still be well below those in the UK.

The British have received

since May last year a special fuel subsidy in reduce the Dutch advantage, but this fatls well short of closing the gap.

Mr J. E. Leggott, managing director of Hedon Growers of North Humberside, estimates his company's annual fuel bill at £420,000. He says the figure would be £180,000 lower, at current Dutch prices, the disparity is bardly dented by the £27,000 the company receives in govern-ment fuel aid, which is given by permission of the EEC Com-

year unless Mr Peter walker, year.

Agriculture Minister, can persuade the commission to allow sion owes more to larger "cold an extension. There seems little back garden crops.

Why this should be re-

BY JAMES MODONALD

moved to other Burton plants.

that Burton's had improved its

production capacity of its four

The Slough factory, built in the 1930s, was an efficient pro-

duction unit but by today's

standards was too small for the

company's needs. It would

plant and machinery to accom-

modate the planned future requirements."

The factory had a production

The forecast comes in a new

report from the union prepared

for the movement's wholesaling

and retail operations, which to-

gether make the co-op one of

the largest trading organisa-

increase by less than average,"

The union says that the fore-

cast recovery in retail sales will

he welcomed by the trade.

by as much as 7 per cent."

volume, the union is predicting inflation.

tions in Western Europe.

nnly a 2 per cent gain.

the company's other factories in mid-September."

run 50 per cent smaller than in

prote impossible to install

been forced to examine care- said. fully the efficiency and potential Bu

Biscuit factory to close

sales performance over the last Burton's expect in meet fully 12 months and, to meet future their increased sales now and

demand for its products, bad in the future," the company

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

the umbrella organisation for the UK co-operative movement, is forecasting an increase in consumer spending of just under 10 per cent in 1983.

The forecast comes is a spending down margins and

ons in Western Europe. The survey breaks consumer ex-The union suggests that in penditure into 23 categories

1983 a combination of lower and shows that total expendi-

taxes, falling inflation and re- ture has risen from £42.9bn in

duced savings is likely to bring 1971 to £191.9hn in 1981, a 348

some recovery in spending. In per cent increase in money value terms, the forecast is for terms. However, this does not

a 9.5 per cent increase but, by take account of the impact of

footwear volume sales by a little 1971 it only represented 13.7 per

more than average and durables cent and was third in terms of

Nevertheless, a 2 per cent in- this has fallen to 11.5 per cent

crease is relatively small so in 1981 and now comes behind

Food volumes will probably ing now accounts for the hig-

with loss of 440 jobs

BURTON'S Gold Medal Biscuits, Blackpool,

Apologists for the Dutch argue that higher labour costs in the Netherlands cancel the fuel price advantage, but Mr Leggott dismisses this as "nonsense."

Dulch competition with the British glasshouse industry has mained stable at about 4,000 acres. But the viability of this capacity is reported to be under Mr Cummings expects more increasing pressure as many producers face failure.

"Many would sell out if they could find buyers," says Mr Donald Frampton, managing tal for heating requirements, director of Frampton's Nurseries of Chichester. The com-pany sold two nurseries last year and put another on the market this year. But there were un takers. The stability of the industry's overalt acreage masks changes

Higher fuel subsidies for the Dutch are forcing UK growers to the wall. Richard Mooney reports

ln its geographical distribution and seasonal growing pattern. Production is being concentrated increasingly around the south coast and Humberside. areas which offer most sunlight. And many growers are opting for later crops to reduce heat-ing costs and avoid head-on

a 12 per cent increase in Dutch The aid is due to end this sendings compared with last year unless Mr Peter Walker, year. However, these have Agriculture Minister, can pereased and the current depres-Humid weather has aggra-

Mr Leggott, whose company vated the problem by bringing had a turnover of £1.4m from crops on earlier.
the 8m cucumbers it produced The Dutch seem destined to

tion programme undertaken,

Burton's has a total workforce

at present of 3,530. The Stough

plant will probably be closed at

the end of this year and the

company said it would make every effort to relocate manage-

full consultations can be under-

taken and all the details pro-perly considered. A final deci-

Co-op forecasts rise in spending

THE CO-OPERATIVE Union, that times will remain difficult housing and direct taxation in

Meanwhile, a new survey by

the Mintel market research organisation shows how con-

sumer spending habits have

changed over the past decade.

The survey shows that bous-

ing (16.8 per cent) although in Household services

gest proportion of total spend-

In 1971, food took the

greatest proportion of expendi-

tude (14.6 per cent) although

its other UK facturies.

lieves countervailing duties fuel price advantage is rewould be preferable to govern-ment aid. Wr. Leggott admits UK growers are "nothing like as well organised" as the Dutch, whose glasshouse sector is more efficient, both in production and marketing.

The superiority of the Dutch industry is a reflection of Holland's history and the character and lifestyle of its horticul

experiences en couraged a disciplined and cooperative approach in the Dutch, while British borticulturalists remained determinedly independent.

Things were fine for Britain's fragmented glassbouse industry while nearly all vegetables were retailed through a wholesale market/greengrocer sys-tem. But when the supermarkets began selling vegetables, especially tomatoes, in a big way, few British growers were able to offer sufficient and con-tinuous supplies. So the supermarkets turned to the Dutch

co-operatives. Mr Cummings says the British are way behind in this area. "There could be much greater co-operation on market-ing, transport and purchasing." The main bright spot in British horricultural co-operation is the Humberside area, hut this is probably because of the influence of Dutch immigration.

Mr Leggott believes firmly in the co-operative marketing system — Hedon Growers is a member of East Coast Salads This has been particularly apparent in the tomato sector.

Low tomato prices earlier in the season were due mainly to that a 12 per cent increase in Thitch

dustry to speak with a single voice, Mr Legantt says.

The UK industry is unlikely to win the sort of government hacking the Dutch receive un-til this happens. But Mr Leggotl fears Britain will soon have no horticulture industry worth reorganising unless it gets more government help and

Goldman Sachs buys London merchant bank

Financial Times Reporter Liantarnam and FIRST DALLAS Ltd, the London merchant banking arm of First National Bank in Foods group and the third largest biscuit producer in the UK, plans to close its Slough factory with the loss of 440 jobs. Production is to be moved to cheef to the panded to meet the increased volume.

FIRST DALLAS Ltd, the London merchant banking arm of First National. Bank in and Llantarnam where production Dallas, has been sold to Goldton facilities would be expended to the panded to meet the increased volume.

With the three factories Bank of England's list of recognaining and the modernisa nised banks and added to its The company sald yesterday remaining and the modernisalist of licensed deposit-taking

Goldman Sachs has not rerealed how much it paid for First Dallas Lid.

The hank was established in 1973 as First International Bancshares Ltd. It was one of the more aggressive UK merchant hanking subsidiaries of a U.S. bank. At one stage it had assets of more than £130m. In 1979 the parent bank A company statement said curbed its autonomy, couring

an evodos of several senior unipus and staff had been in- an evolutioned of the proposal "so that managers. Lue the neer to December 30 to- mouth of to ym un relate of sion is expected to be made by \$66 1m and shareholders' imade

CONSUMER SPENDING 1971-81

Fuel, light, power

Crisps and snacks

Alcoholic drinks

appliances

products

Direct taxation

services

Savings

Medicin,es, toiletries

Electronic domestic

Furniture furnishings

Household, garden

Medical, educational

Miscellaneous goods,

Confectionery

5,870 32,208

1.047

2,593

2,708

1.322

1,054

1.499 9,490

42,869 191.883

7,895

22.065 2.023

4,900

1,950

3,885

18,520 5,955 2,645 1,875

6.395

agree over complaints BY JOHN LLOYD, LABOUR EDITOR IGNIFICANT changes in the meeting between them and NUJ the IOJ's one, rather than four operation of the Press Couocil officials may be arranged later, and two as at present. including exerting pressure Mr Evans said yesterday that The TUC memorandum notes on newspapers to publish com- the TUC had won substantial that the council had dealt with plaints more prominently—have concessions from the council in 12 complaints from trade

Press Council and TUC

tween the council and the TUC.

However, the TUC has had less success in persuading one less success in persuading one press newspapers to published the success of the council and the TUC. of its own affiliates—the 30,000-strong National Union of Journalists—to rejoin the council to consolidate the gains

Council twn years ago, complaining that it was wholly ineffective. The TUC has written to the NUJ asking it to take up its seats on the council again with a view to discussing further reform of the Press side composition of the council and seeking to make the council more effective in its work."

The memorandum from the TUC's media working group to the NUJ says the group's chairman. Mr Moss Evans, general secretary of the Transport and General Workers and its secretary. Mr Brendan Barber, the TUC's director of information. would he willing to discuss the issue with the NUJ's national executive committee.

Bank union

to ballot

arbitration

By David Goodhart, Labour Staff

members in Standard Chartered

Bank on whether to take indus-trial action in a dispute with

the bank over arbitration pro-

Standard Chartered and Barclays International, who

bave given notice that they will

call for a hallot next

Tuesday and that the Standard Chartered members would then

hack the programme of indus-

The programme includes a

work to rule and selective stop-

pages which would start on October I if the hank does not

withdraw its plan. The joint arbitration accement ends on October 27. The agreement with

Barclays International ends on

December 10 and the union

executive will consider a

aimilar strike battot at a meet

The two leading British inter

national hanks are following :

trend aggiost unilateral binding

court wit the industry. Bank:

see of their parties determin-

ing their costs.

But Mr Gamble claimed yes-

erday that the initiative to end the arhitration agreement had come from the board and was

not welcome by management

Bifu represents 1.400 of Standard's 2.500 staff and 4.500

of Barclay's 7,000 staff...

over pay claim

By Peter Cartwright

BL unions to meet

buy their own specialist tools.

respond quickly. The current

pay contract runs out at the end

of October, and the need to

telescope negotiations results largely from lay-offs at Long-

hridge and other plants intended

to rin down unwieldy car

stocks, and the timetable of

trade union and Labour Party

Management has promised to

ing at the end of September.

Irial action.

Agreement by the council to press newspapers to publish its adjudications with "reasonable prominence" and to complain to the newspaper if this is not

statement of principles and the provide a means by which trade standards expected from newspapers in a single, accessible pursue complaints with some
volume, hope of achieving an sdjudica-

Agreement to speed up the adjudication procedure.
The council has also said it is willing to discuss the comi-position of the Press representation on it, provided the NUJ

Press representatives, including newspaper and periodical publishers and the 2.000-to-3.000-strong Institute of Journalists take 14 of the 18 seats available to the Press-with a mebers. The NUI had four to be a "demolition joh" on the Council It relies to the council It rel

unionists in the period since the NUJ left it, and had upheld more than half. It says: "The Press Council did, for those unions, provide a means of pur-suing their complaints which would not otherwise be open to

It concludes that "inadequate made by the TUC.

The NUJ left the Press Agreement to codify its as the Press Council is, it does tion in their favour which will receive publicity in the publica-tion concerned and possibly in

other sections of the Press."

The NUJ thinks the council is unreformable. It is likely to show sympathy for the report of a commission of inquiry into the council, set up under the auspices of the Campaign for Press Freedom and chaired by Mr Geoffrey Robertson, a barrister. This report is nearly

complete.

executive committee.

The TUC persuaded the However, the union's NEC council to agree to a discussion last weekend voted by a sub-between the Press representation on evidence from a targe number of complainants to the council to agree the discussion of the council to agree the coun

stantial majority to reject the tives on a recarring of their tion went in their favour and TUC's advice, and have declined to take the offer of Mr Evans's has pressed the view that the of redress achieved was in-and Mr Barber's advice. A NUJ should take eight seats to adequate.

Directors demand wider reforms in public sector

members on pressure to widen the scope of proposal to enforce adherence to its forthcoming Green Paper on princedure as part of the Green trade unton reform to include proposals to limit the power of unions in the public sector.

The Institute of Directors, which has acted as a loyal and THE MAIN hanking union is

sometimes influential pressure and was thought to present too group on government, has subgroup on government, has sub-many problems for practical mitted a memorandum to Mr implementation. Norman Tebbit, Employment cedures.

The Banking, Insurance and most er Finance Union is fighting both action. most crucial area for legislative

withdraw by the end of the external financing limits, be year from agreements which decentralised as far as possible, give either side unilateral so that reginal or local units are run as independent by the start of the local units are run as independent by the local units are run

assistant secretary, said yesterassistant secretary, said yest desirable than privatisation. However, short of large scale denationalisation, it calls for a piecemeal approach to decentralising pay hargaining, starting with the less powerful sectors to minimise the possibility of industrial action. It also calls again for unions' legal immunity to be made condillonal on adherence to agreed

> It is unlikely, however, that Steel the government will adopt either Plant.

THE GOVERNMENT is under the decentralisation plans or the Paper due out by the end of favoured by the more militant payments were rejected.

The second of these proposals was mooted in the 1980 Green Paper on Union Immunities

The government is likely to Secretary, arguing that public be sympathetic to decentralisa-sector monopoly nolonism is the tion of bargaining in the public most crucial area for legislative sector—it has already largely happened in the British Steel
It proposes that bargaining in nationalised industries and services together with their external financing limits, be decentralised as far as possible. Green Paper.

This is likely to confine itself to a discussion of unions' internal procedures for electing The IoD sees decentralisation officials and calling industrial

Shop stewards fight steel redundancies

By Our Labour Staff

SHOP STEWARDS at Johnson and Firth Brown, the private Sheffield steel company, said yesterday they would fight the 1.100 redundancies stemming from the proposed merger of Brown and the British Corporation's River Don

Health workers plan for national rally

BY IVO DAWNAY, LABOUR STAFF

PLANS for a national rally of faction within the committee health service workers are high nieets tomorrow to discuss the other workers. next stage in ils four-month campaign for a 12 per cent pay

The outcome of the lalks is certain to be influenced by the Royal College of Nursing's ballot on the current 7.5 per cent offer, also due to be announced

If the college again rejects a settlement, the TUC unions believe National Health Service staff will continue to give strong backing to calls for industrial action.
If the offers are accepted, sub-

stantial support may slip away and TUC negotiators may opt reluctantly to resume talks with management. Two schemes for national

rattles in London are certain to be debated by the TUC

But while the National Union of Public Employees and the Association of Scientific Tech-nical and Managerial Staffs may press for a one-day midweek stoppage aimed at gathering maximum sympathy support from unions outside the NHS. others are seekin ga weckend march and rally in Trafalgar Square.
TUC officials are hotieved to

favour the second plan which would alow the maximum mobi-lisation of off-duty staff and the possible participation of the RCN and other non-TUC affi-

liated NHS groups.
Miss Val Cowie, RCN industrial relations officer, confirmed last night that a weekend rally could win the backing of the times automatically in cases College. "But we would not deemed to be emergencies. our members to take industrial action." she said. A midweek rally and national

But they will have to counter the agenda of the TUC scepticism over the scale of health service committee which support likely to be given by

Options for consideration will include further one, three or ive day perinds of intensified industrial action. However, the unions are anxious not to incur unnecessary costs in strike pay. So far, the Confederation of

Health Service Employees claims to have spem over £150,000 in payment while NUPE puts its strike pay bill at several times that figure. A longstanding call from NUPE for an all-out indefinite

stoppage remains unlikely to win the support of a majority of the committee, thrugh selec will continue.

Mr Kenneth Clarke, the Health Minister, yesterday changed his tack in an appeal to NHS workers to call off their Contrasting the NHS cam-

paign to the Government's battle to reduce inflation and unemployment, he claimed lhat the 1979 strikes and the Clegg pay awards that followed played a major part in creating the current "economic crisis." Itowever, Mr. Athert Span-wick, Cohse's general secretary, dismissed the parallel as "alarmist rubbish." The Cohse executive is to meet on Friday to discuss tactics in the dispute.

 Cleveland ambulancemen voted yesterday to reject a five-point peace plan aimed at ending their week-tong strike. A mass meeting threw out a compromise deal which insisted that drivers must cross picket A strike by Derbyshire ambulance drivers continued

yesterday after manageme

Liverpool dockers accept two-year pay deal

BY OUR LABOUR STAFF

recommended acceptance of the sure Liverpool survives deal which gives a £9 a week increase this year with a backdaled payment of £144 in Association and chief executive return for changes in working practices and a further uncon-Basic weekly pay is estimated at deal will give security in the 290 a week but the Port emmen, stability to the port and a ployers claim that with bonuses service the customers expect.

on the introduction of the working practices which will involve

THE THREAT of an unofficial plex and stretching gangs in strike halting the Port of other areas. The port is not strike halling the Port of Liverpool was averted yesterday when the 2,500 dockers to accept a two-year pay and productivity deal after four months of negotiation.

Mr Denis Kelly, chairman of the Mersey Port shop stewards, recommended acceptance of the street Liverpool survives."

Mr James Fitzpatrick, chairman of the Port of the largest employers, the

and overtime many dockers. He said the aim now was to earn £160 a week.

The said the aim now was to attract trade, which bas been Talks will hegin immediately lost to ports on the south and n the introduction of the works east coasts, back to the Mersey. reduction of staffing levels at lost £7.5m last year and a the Royal Seaforth dock com- further film in July.

GARDENS TODAY

France's greatest public garden

BY ROBIN LANE FOX

ONLY THE British, as I have

THE BL Unions' joint negotiating committee is due to meet on October 6 when delegates from Six plants will attempt to find a common denominator for their individual pay claims. selves through their plants and Besides an increase on basic many know how to do it very pay they will be looking for upward adjustments in a rauge of other things such as shift calculations, overtime premiums and allowances for those who

there is a garden artist strug2l-ing to be seen: There is also a devotion to hard work after office hours and a readiness to sweat att weekend over lawns and bedding out. This national effort has to be added to all those judgments on the taziness of British working men. We put effort into our gardens as wetl, and perhaps It is hetter there than anywhere else

These views may annoy many of you, so I have been testing them on a recent visit to France. The Loire Valley is the sort of green belt which Britons could turn into a gardening paradise. It is the French equivalent of Hampshire's A272 and that string of magnifice ot gardens, great and small, which lie on either side of it. All those chateaux ought to have one garden to show among the lot of them, so I have hoped for the best and set out to find out. The hunt has not been parti-cularly difficult. I soon learnt to ignore any park with the promising title of jardin anglais. paths which the Second Empire had swamped with confers and ground plans which proved that the point of the whole idea anyway.

Over-governed and run by many more civil servants than ever troubled Britain, French patrons tiked their values of order and formality. They bad little sympathy with lawns and rolling meadows. Avoiding the jardens anglois. I ruled out the forests round Blois, classed the

Here, at least, were gardens of great style, restored and maintained by the family of Dr Carvallo who first brought the chateau back from Freuch neglect in the 1920s. Parterres on three different levels now soak up the 100,000 bedding plants yearly. The famous French vegelable plots are no less thickly equipped with greensluff which die every year. There are formal herb gardens, immaculate bowers of fruil trees, a thinnish labyrinth and as much box hedging as you could wish to see in a lifetime.

tors in order to keep up its soil style. Even then, it cannot hope to balance its books, so it welstill runs it, but the first Dr Car quite a legacy in the bones of his buge garden.

Renaissance garden. Le Notre is perhaps quite amusing if was not yet born; the French viewed from above in its own had just triumphed in Italy and Italian master architects had But acres of matching compari-journeyed up to the Loire to ments are as tedious as a fancy build gardens as they koew

the Vatican that His white Alvssum. Hotiness's vegetable plots tooked able. Mature pear and apple trees creep along the low boundary trellises at a height of only two feet. They are perfectly trimmed as the edging to square plots of ornamental cabbage. brilliant red spinach beet and drifts of annuals.

I was intrigued to see the annual saivia calted Victoria growing profusely at Villandry. latest news. Villandry's large iorams, thymes and sorrel with a fancy, and to my eye a other favourites of the kitchen. tedious fancy at that. I was delighted to find a big drift of calamintha, a pungent

I admired the box hedges and trimmed

For me, the answer is, firmly,

enclosed background of gravel. patisserie with their croissants of box and begineer, einni blancs The result astomsbed a visit- of orange flowered Rudbeckia ing papal legate who wrote back and the unpardonably stark

History, maybe, decidedly shabby beside the such a restoration, for the plan show pieces which Villandry now was laid when the king and his bouse. They are, indeed, remark-court would descend on Villandry's huge garden. When packed with powdered viconites. these gardens might come to life. Left only to tourists and gardeners, they seem like the White Queen's fully, designed for Lewis Carroll. upper parterres, the ribbons of They weave intricate patterns as symbols of love. The shapes Its violet blue spikes are stiff of their broken and malching but long-lasting and it has hearts make up sections with impressed me in England as a separate messages: Tragic, novelty well worth growing if Tender, Adulterous and Pasyou sow it early in the year. In sionate Love. The designers, France, it seems it is not the perhaps, wished to say that in life, all four were the same. As herb garden combines mar- a garden design, they are only

greatest public garden, the shrub like a small nine-inch cat. French public, I conclude, are mint which flowers so freely in no flower gardeners. They August. This easy plant is too have formal designs, but no rare in England on dry sunny informal plantings. Their fruit trees are trained like nverpoodles. the Italianate style of the parterres are filled witr plants ascending steps beautifully which are only taken seriously framed in a setting of clipped on British roundabouts and evergreens. The Carvallo family esplanades. As a monument, deserves a big bouquet for its Villandry equals any British boldness and devotion in restor- bistorical garden and as a feat ing lis enormous scheme. Is it, of upkeep, it is excellent. But however, a garden which we I longed for a touch of British romance, for good plants combined to mean something better. for the greatest of all those been revived to satisfy all but light and shade, such a limited loves, a gardener's love for badly and I found nothing more the grandest patron. Here, as use of good garden plants and a colour and shape in flowers and

If Villandry is France's

Fresh support for Sunday shopping BY DAVID CHURCHILL CONSUMER AFFAIRS CORRESPONDENT

spending priorities.

THE Consumers Association has come out strongly, in favour of amendments to the shop hours legislation which would allow traders to open on Sunday and late at night. Mr Peter Goldman, the written to the Government supporting its apparent change of heart over shop

Over the past two decades there have been several Private Members Bills seeking to minered the laws on shop hours but all have failed through lack of Government

Recently, however, a junior

indicated that the Government might support future legislation to end the present chaotic regulations. These were laid down

Trade Department minister

under the 1950 Shops Act and include such anomalies as allowing adults to buy gin on a Sunday, but not dried milk for a baby's bottle. Mr Goldman says in his letter that in 1980/81, the association "faced adamant and united opposition to change from the more relevant trade and enforcement

organisations." But "the

situation is now very different

and most organisations accept

the need for at least same reform. He says the Association of

District Councils has recently reversed its policy position from one of opposition to any change and is now actively lobbying for a bill along the lines of recent Private Members' Bills on the subject. Within Whitehall it is

understood that the Gavernment is unlikely to sponsor new legislation on shop hours in this parliament but would he prepared to support 2 Private Members' Bill which had a good chance of getting parliamentary time fnr debate.

to beet harvest A SECRET BALLOT is to be

a move to settle a pay dispute which threatens to balt Britain's sugar beet harvest The British Sugar Corpora tion at Peterborough, Cam-hridgeshire, yesterday called in

workers and clerical staff. Shop stewards have thrown out a management offer of 9.5 per cent and have threatened strike action at 13 processing factories in the eastern counties when the sugar beet harvest starts next month unless they get 15 per cent.

Ballot over threat

conferences.

held among 2,000 workers in

the Electoral Reform Society to organise the vote among protest

often stated here, know how to make a flower garden. There are very great gardeners elsewhere, of course, io America, France, Germany and Italy, but think of them as exceptions, small enlightened minorities in countries which are not, in the end, much concerned with placing and choosing flowers. In Britain, too, great gardeners are a minority, hut they practise in a country where most people want to express them-

Inside a British resident.

After Napoleon, there seems to have been a fashion for natural English landscaping, a faint

formal water round Azay le Rideau and others as an extended feature of the architecture, and found myself left only with the gardens surrounding Villandry.

The garden relies on its visicomes the public grants which temper its deficit. The family vallo, a noted doctor, has left

full restoration Villandry's 16th century plan would be beyond most 20th echo of Repton and Capability century pockets, but enough has no. There is so little sense of Brown. The style transplanted been revived to satisfy all but light and shade, such a limited than lakes which had sunk be- nowhere else in France, you can dreary indifference to subtleties leaves which he has chosen in a low ground level, serpentine still catch the style of a great of colour. A section of parterre style of his own.

Atlas Copco

from Audiogenic of Reading is available as a cassette requiring a minimum of 8K expansion. Ten levels of play are available with response

of the game. Boss can also indicate how many moves ahead it is think-ing and the number of moves to mate. The program is capable of castling, queening and "en passant." It is avail-able direct from Audiogenic at

Machine tools Increased

W E NORTON MACHINE Tools, Dore House Industrial Estate, Sheffield (0742 697341) has increased its range of Kuraki CNC vertical machining centres to include the larger KV 1600 model.

This model is fitted with a 24 automatic tool changer with random bi-directional selection employing ISO BT toolholders. The 25 hp variable speed motor provides spindle speeds of 30 to 3000

Silencer

A filter silencer designed to reduce noise and pollution caused by the use of compressed air has been introduced by Scientific Innova-tions of Bowburn, Durham.

FONDON

9.30 am World Famous Fairy Tales, 9.45 Tha Master Builders. 10.15 The Greatest Thinkers

Electric Theatra Show, 1.00 News

with Leonard Parkin, plus FT

Index. 1.20 Thames News with

Robin Houston, 1.30 Womeo of

Today. 2.00 After Noon Plus. 2.45

The Six Million Dollar Men. 3.45 Play It Again. 4.15 Dr Snuggles. 4.20 Storybook International. 4.45

Into the Labyrinth. 5.15 The

Energy saving Motor speeds

CONTROLLING motor speci can lead to energy-saving according to Brammer Dynamics. It has developed a variable frequency inverter which enables AC Squirrel Cage motors to run at variable speed instead of their normal fixed speed operation.

The company claims that its inverter can cut electricity bills by enabling pumps and fans to be run at the correct speed to provide the required output, instead of running at full speed and being damped or throttled to obtain reduced.

output.

Brammer Dynamics says that the Northumbrian Water Authority saved 41 per cent in energy and 20 per cent in water when it fitted an inverter to control a pump-supplying water to a village in the hills of Weardale. More information on 0423. 501464.

Measurement Steel

coatings A GAUGE which can measure

the thickness of non-magnetic coatings on steel is being marketed by Sheen Instruments, Richmond, Surrey.

The Post Test gauge is intended for coatings such as neight phosphate levers place. paint, phosphate layers, plas-tics and galvanising.

It uses a cobalt rare earth. magnet and requires no power source. Weighing less than 200g the company says it is one of the lightest gauges of its type on the market. More details on 01-940 1717.

Security TV burglar alarm

brother is watching you " but Radio Rentals has introduced a television set which turns into a burglar alarm. When the evening's viewing is over all the householder has do is switch of the TV set and set the alarm which becomes

IT MAY sound like "big

armed 20 seconds after the

system

range

A reduction of more than 40 dBA is claimed, More on 0385 770550.

TECHNOLOGY

British designed simulator finds a new role

'Big Lifter' set to retrieve wreck of the Mary Rose

Franlah Marine. It is compact

and does not require a **c**om-

A British-designed, computer- and Simulation system (OMS) based crane barge motion moni- was designed and developed by tor and simulation system will Atkins Research and develophelp in the raising of the wreck ment of Epsom, and is marof Henry VIII's warship, Mary keted by its subsidiary, Atkins Rose, from the seabed off Ports-

It has just been installed et Sonthampton on the Howard Doris £5m, 900-tonne heavy-duty floating derrick, Tog Mor (Gaelic for Big Lifter).

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Built in Germany by Blohm and Voss in Hamburg, the Tog Mor is the largest Stückenmest floating crane built,

Normally used at the Howard Doris construction site for the offshore industry at Loch Kis-horn on the west coast of Scotland, and in heavy lifts in the offshore industry, it will be towed to work off West Africa in October, when the Mary Rose lift is finished.

Tog Mor's ease of bandling and extreme accuracy of placing its load makes it ideal placing its load makes it ideal Developed with support from for the delicate operation. For the Department of Energy, that the lift from the seabed, the hull will he suspended in a system uses sophisticated hargehull will he suspended in a response prediction programs which are continuously updated straps heneath a 150 ft lifting and calibrated from real-time frame and will then be trans- measurements of harge motion. ferred under water into a 150 ft These real-time measurements cradle for the transfer to sbore. are used to provide a valuable

First viable prototype of LSI chip

commercially viable large-scale integration were completed.

The company claims to have succeeded in burying resistors

a compound of gallium and and other circuit elements into

Toshiba said this week it a technical breakthrough no

would be able to mass produce other manufacturer has yet

Maritime Harmony (FT, July 2). Incorporated (FT, July 9).

time Harmony failed to maintain

a proper watch despite two radar

sets in working order, the ship

was unable to justify the speed

at which she was travelling when

a collision occurred in fog. Contributory negligeoce was thus

Swain and Another v Law

Society (FT, July 6).
The Solicitors Aot 1974 enabled

the Law Society to enter into a group insurance scheme through

AVX Ltd. v EGM Solders Ltd. (FT, Jnly 7).

one, containing rejected goods, was intended for EGM as tha 21 house of finished products should have been delivered to

AVX's distribution centre. At

EGM, the contents of the 22

boxes were destroyed. As an

naconscious boilee. Mr Justice Staughton held, EGM had failed

in its cuty of care, by not ascertaioring that the 21 boxes were not its own property and

then by negligently allowing AVX's goods to be destroyed.

commission-sharing

mr Justice Sheen consulted two The House of Lords stated profits.

Thinity Masters oo the safe speed unequivocally that no tribunal for a vessel navigating in or count had a first that the state of the safe speed unequivocally that no tribunal for a vessel navigating in or count had a first that the safe speed unequivocally that no tribunal for a vessel navigating in or count had a first that the safe speed unequivocally that no tribunal for a vessel navigating in or count had a safe speed unequivocally that no tribunal for a vessel navigating in or count had a safe speed unequivocally that no tribunal for a vessel navigating in or count had a safe speed unequivocally that no tribunal for a vessel navigating in or count had a safe speed unequivocally that no tribunal for a vessel navigating in or count had a safe speed unequivocally that no tribunal for a vessel navigating in or count had a safe speed unequivocally that no tribunal for a vessel navigating in or count had a safe speed unequivocally that no tribunal for a vessel navigating in or count had a safe speed unequivocally that no tribunal for a vessel navigating in or count had a safe speed unequivocally that no tribunal for a vessel navigating in or count had a safe speed unequivocally that no tribunal for a vessel navigating the safe speed unequivocally that the safe speed unequivocally the safe speed unequivocally that the safe speed unequivocally that the safe speed unequivocally the safe speed unequivocally that the safe speed unequivocally that the safe speed unequivocally the

July 13).

ement with the brokers, and a master to infringe the colli-

agreement with the brokers, and a master to intringe one used the money received for the sion regulations through his

profession as a whole. Two "wilful default," the Divisional solicitors challenged the agree-contons on the grounds that the of an explicit Parliamentary brokerage was held in trust for intention to that effect, wilful the members. The House of default could not epply where

Lords rejected their submission, the master handed over the

holding that the Law Society watch to his master mariner, was acting in a public capacity, and did not owe a privete duty to premium-paying solicitors.

* watch to his master mariner, who failed to observe the regulations. For the purposea of the Act, criminal liability was non-delegable.

By a mistake, AVX delivered Wilson and Garden Ltd. v 22 boxes of goods to EGM; only Commissioners of Inland

It was

puter expert to use it. Bosically the system is aimed at cutting down time lost during bad weethar and in pre-planning lifting operations. Excessive movement at the crane tip—a limiting factor for a lift—can be minimised if the barge is kept on a particular heading which will reduce herge motion to a

> conditions. The system uses forecasts of expected wave conditions at the site of lifting operations together with predictions of the barge motion response, to determine the optimum barge beading and lift configuration and so increase the time available for lifting operations.

minimum in the prevailing sea

Howard Doris has placed the ald during lifting operations. Tog Mor at the disposal of the Sensors measure the barge's

Toshiba sees mass production

THE Toshiba Corporation has later after some technical metres, incorporating 2,400 developed what it claims to be improvements, such as enclaimed the world's first prototype of a hancing the degree of the speed of transmitting

the gallium-arsenic hase material

the LSI chip-replacing the achieved," the company said. , milliwatts, about a tenth of the

conventional ailicon semicon— The new chlp, of a gate-array electricity required for silicon ductor—three to four years type, measures 4.5 by 4.3 milli-versions.

Mr Justice Sheen consulted two
Trinity Masters oo the safe speed
Trinity Masters oo the safe speed
or court bad a discretion to vary
reduced visibility. The court beld
reduced visibility. The

particular case. Thus where the Patents Act specified a 20-month

thmit in order to lodge a patent application and pay the filing

sidered by the comptroller. Any injustice could be dealt with only by amending the Act

punishable by up to two years' imprisonment under the

Merchant Shipping Act 1894, for

Commissioners of Revenue (FT, July 14).

ioterpretation should be used

in construing a business's "current requirements," as well

no reason why "development"

to include "diversification,"

defeating the legislative purpose, innocent third parties. If a third in re Energy Conversion Devices which was to prevent the party made a successful applica-

a serious offence.

FT COMMERCIAL LAW REPORTS

Digest of cases reported in the Trinity Term

FROM JULY 2 TO JULY 27

Bradshaw v Ewart-James (FT, arrest, Mr Justice Sheeo said

sioners lost their appeal to the House of Lords, that a narrow interpretation should be met by suspension or dismissal.

as its other needs for "main International Finance Exchi-tenance and development," under Corporation (FT, July 21). the Finance Act 1972. There was

should not be widely interpreted Mareva injunctions, Mr Justice

in three to four years time

pute the motion of any point on the vessel, such as the crane and can provide the operator with summarised data of peak motions.

It can also identify motion trends and so belp choose the est moment for setting down the load. The main festures of the

system ara the user console, which has been developed to replace the conventional computer terminal, and the display unit, both of which can be conmounted desired.

The user specifies vessel parameters (bull weight, ballast, additional weights), and crane parameters (angle, outreach, load) by means of switches. The display unit will show the barge with the crane at the setting specified by the operator at the console.

The OMS system contains linearised equations of motion using a library of hydrodynamic co-efficients computed using the or from model tests.

Further details: Atkins Franlab Marine, Woodcote Grove, Ashley Road, Epsom, Surrey. KT18 5BW. (037 27) 40899. Neil Potter is a freelance

journalist specialising in the Mary Rose Trust free of charge. roll, pitch, heave, surge and journalist specialism.

The On-board Monitoring sway. The system can then com- offshore oil industry.

trillionth of a second), five times

ventional silicon semi-conduc

The new chip consumes 0.2

The shipowners paid part of the

sums claimed, having first secured the ship's release by

putting up security. When Despina GK entered an English

port, the cargo-owners issued a writ in rem for the sums out-

standing. In allowing an appeal against the registrar's refusal to

ssue a warrant for the ship's

that a judgment creditor who had

obtained final judgment in a

foreign court could bring an

action in tem in the Admiralty Court provided the ship's owner-

The statutory definition of a "job" stipulates that an employer re-engage strikers in

the same place, capacity end work at they enjoyed before their dismissal. The National Theatre Board fulfilled these

stipulations, the Court of Appeal

held, when it offered to re-engage

employees in the same jobs as they previously held, notwith-standing a condition of the offer that any further striks action

Fidelity International Bank v International Finance Exchange

It was an essential aspect of

d not be widely interpreted Mareva injunctions, Mr Justice A digest of cases reported between include "diversification," Parker said, that the court should July 28 and August 18 will appear on Roskill said, without also protect the position of Friday.

the court's jurisdiction to grant loading.

ship remained unchanged.

accumulation of undistributed tion to the court for a variation profits.

Williams and Others v National the open cover was received in Theatre Board Limited (FT, the UK by the London brokers.

Do-it-yourself loadcells system

Farmyard tyres to weigh a pig

Mrs Margaret Rule, archeological director in charge of the recovery of the Mary Rose (left), helps her team hose-down one of the bronze cannons recovered from the 400-year-old wreck.

Weigh." But if you're a farmer and need to weigh anything from e pig to a heifer and their a hit of adaptation do the job.

water, lay it on its side and using simple physics and a bit of simple apparatus you can weigh he left outside. almost anything.

on it and therefore the pressure hetter use? It sounds so simple that one wonders how many people have thought of it before.

The designers say that a mini

have all his costs so long as they were not unreasonably large or unreasonably incurred. Justice required that a plaintiff who

resorted to the Draconian remedy

of a Mareva injunction should be

Citadel Insurance Company v Atlantic Union Insurance Com-

Citadel, a Canadian company,

was a primary insurer for ships hulls throughout the world. It

which placed reinsurance with

New York brokers using London hrokers as agents. The reinstrance was covered by Atlantic, a Greek company. The Court of

Appeal held that a contract, governed by English law, arose between Catadel and Atlantic whenever a declaration under

Gebr. Broere BV of Dordrecht

Mr Justice Parker said that when ed the parties consented to an application on a point of law arising from an arbitration, section 2 (2) of the Arbitration

Act did not apply. The question of law at issue was the construc

tion of a phrase "weather permitting," for loading end dis-charging cargo, in four charter-parties between the plaintiff

shipoweers and the charterers Laytime included periods of

bad weather which would have

prevented loading if the vesses

when weather in fact prevented

By Aviva Golden

Italy (FT, July 27).

Holland v Saras Chimica SpA of

pany (FT, July 23).

expected to pay such costs. ..

IT IS not often that one comes tractor tyre can he recycled to safely across a Wheelie Weigh across a product called "Wheelie weigh up to 20 tons. The geo- so that stockmen can keep an metry of the wheel is ideal with expert eye on weight progress weigh. But if you're a farmer and need to weigh anything and need to weigh anything the reinforcing in the tread, or the reinforcing in the reinforcing in the tread, or the reinforcing in the reinforcing in the reinforcing in the tread, or the reinforcing in the tread, or the reinforcing in the tread, or the reinforcing in the rei where It is needed.

Wheelie Welgh works on the principle of inflatables as simple loadcells. Fill the tyre (it's better with an inner tribe) with the control of the tyre means the control of the tyre of the tyre means the control of the tyre of the tyre means the control of the tyre of the tyre means the control of the tyre of the tyre means the control of the tyre means the control of the tyre rugged nature of the tyre means that the whole apparatus can

But why should the farmer The internal pressure in the retrieve all these old tyres tyre balances the weight sitting lying around and put them to can easily measure the weight. servicing is almost unnecessary end weighing results can be made for each feed trough instead of averaged results from a central silo.

BBC 1

(Ultra High Frequency only). 9,26 Scooby and Scrappy Doo. 9.40 Jeckanory with T. P. McKenna. 9.55 The Womhles. 10.00 Take Hart. 10.20-10.30 Play

1.30 King Rolle. 1.35-1.45 Brica-

Brec. 4.18 Regional News for England (except London). 4.20

Play School. 445 We Are The Champions. 5.10 John Craven's Newsround. 5.15 The Monkees.

6.00 Regional News Magazines.

6.25 Top Secret: A new panel

6.55 The Wednesday Film:

hy Kieran Prediville.

9.25 Chicago Story.

10.35 Cycllog: World Championships highlights from

11.10 The 20th Century Remembered: The Rt Hon

Sir Harold Wilson talks

about his period as Prime Minister from 1964 to

Leicester. 1.08 News Headlines.

game with Barry Took.

"Mandrake The Magician."

5.40 News.

9.00 News.

Animals can pound daily and

Before farmers rush to the The hole through the huh is telephone and the manufacstirred to protest, it should be pointed out that one cannot buy a Wheelie Weigh; you have to

make it yourself. But you can obtain a report instructions, diagrams help and essistance for £3.50. It's ohtainable from Bradbury Controls PO Box 4 Ross-on-Wye, 'Phone Symonds Yat (0600 890599), or London (01-741 0019). Ask for "Air Cushions and Vehicle Tyres in Weighing Machines (Inflatables as simple

TELEVISION

Tonight's Choice

TV's programme planners will no doubt be hoping that tonight's big attraction will be the annual Miss United Kingdom contest which occupies the prime viewing slot of 8.00. But a braver decision would have been to screen its late-evening documentary. The Haust of Man. at this time when its crucial message could expect to reach a much wider audience than it could reasonably hope for at the later time of 10.30.

The documentary, from Anglia Televislon which makes the admirable Survival programmes, takes a cool and analytical look at the destruction of the earth's resources and the decisions which

need taking now if catastrophe is to be averted.

It may not be a new or palatable story, but it would seem of greater relevance to television viewers than which particular female body is voted the most attractive in a hotel in West

Kieran Prendiville, however, takes it all a lot less seriously 8.30 Tomorrow's World at on BBC 1 at 8.30 when Tomorrow's World at Large investigates the clusive nature of humour.

Of Humour "investigated DAVID CHURCHILL.

BBC 2

10.65 Gharbar. 10.30-10.55 Play School. 12.30-1.20 pm Open University. 5.10 Freedom and Personhood. 15.40 Laurel and Hardy 6.25 The Philpott File. 7.00 Junior Pot Black.

7.25 News Summary.

7.30 The Travel Show. 7.55 Arthur Negus Enjoys Badminton. 8.15 The Man Alive Debate. 9.00 Film Buff of the Year. 9.30 Top Crown.

10.15 George Melly with pianist Ralph Sutton. 10.45-11.50 Newsnight.

5.45 News. 6.00 Thames News 6.25 Help!

Brady Bunch.

6.35 Crossroads. 7.00 Where There's Life.

7.30 Corongtion Street.

6.00 Miss United Kingdom 9.00 Best Sellers: "Valley Of The Dolls," part 3.

10.00 News. 10.30 The Haunt of Man. 11.30 Mannix.

11.30 Mannix. 12.25 em Close: Sit Up and Listen with Barhara Listen with Leigh-Hunt.

† Indicates programme in black and white

All IBA Regions as London except et the following times:-ANGLIA

9.35 am Certoon Time, 2.45 International bowls. 10.10 "Terzen And The Velley Of Gold," starring Mike Henry. 11.50 Captaio Nemo.. 1.20 pm Anglis News. 2.00 The Tall Ships Parade of Sail. 3.16 World Worth Keeping. 5.15 Private Benjamin. 200 About Anglis. 11.30 Nero Wolfe, 12.30 am Pilgrim to the Holy Land.

B.30 em The Bubblies. 19.35 Film: "Escapede," starting John Mills. 11.00 Sessma Sueer. 1.20 pm Border Hewe. 2.46 Charlie a Anpels. 6.16 Survival. 6.00 Lookaround Wednesday. 11.30

BORDER

CENTRAL 10.05 am Jehnny's Animal Operat-10.30 The Adventeres of Niko. 110.55 Hopaleng Caseldy, sterring William Boyd, 1.30 pm Central News. 2.45 Palmerstewn. 5.15 Oi8 mn Strokes. 6.00 Crossroads. 2.25 Centrel News. 11.30 Jeurney to the Unknown.

CHANNEL

RADIO 1

(S) Sereo broadcast (when on VHF)

1.20 pm Chennel Lunchtime News, What's fin Whare, and Weather. 2.45 Skin Reep. 5.20 Crassroads. B.00

GRAMPIAN 9.40 am First Thing. 9.45 Seseme Breet. 10.40 Crazy World of Sport. 11.05 Thunderbirde. 11.55 The Adven-tures of Pareley. 12.30 pm Portrait of e Village, 1.20 North News. 2.46 Story Hour. 5.16 Mi Merlin. 2.00 Summer at Six. 11.20 Merphy's America. 12.25 am North Headdings.

GRANADA

B.30 sm The Bubbles. 9.35 Wednesdey Matinee: "Escapade," starring John Mille. 11.00 Sessma Street. 1.20 pm Granede Reports. 2.00 Wild, Wild World of Animals. 2.30 P. Sessma Street. pm Granece reports. 200 Wurd, Wild. Wild. Wild. Wild. Wild. Style. 2.45 Palmerstown, S.16 Welcome Back Kotter. 6.00 This is Your Right. 8.05 Crosscreets. 5.30 Graneta Reports. 6.35 Sideroads. 11.30 Dear Detactive.

2.50 am Nature of Things. 10.46 Sport Billy. 11.10 The World We Liva-In. 11.35 Angling Today. 1.20 pm HTV News. 2.45 To the Wild Country. 4.16 Ask Oscer. 4.46 The Adventures of Nike. 5.15 Stingray. 8.00 HTV News. 10.28 HTV News. 11.30 Private Benjamin.

Channel Report. 6.10 Fenglece. 6.35 6emmer Extre. 10.28 Channel Lare News. 11.30 Veges. 12.25 am News and Weather in French, followed by HTV Cymru/Wales—As HTV West except: 11.70-11.35 am Ylcký the Viking. 12.00-12.10 pro Ty Bach Twt. 4.20 Here's Boomer, 4.45-5.16 Sion 2lli. 6.00 Y Oydd, 6.15-8.35 Report Wales. SCOTTISH

20.00 am Wild, Wild World of Animala. 10.25 Semmer Medinea: "A Franch Mistress." 1.20 pm Scottleh News. 2.45 The Love Boat. 2.16 Teles of Crime. 6.20 Crossnede. 6.00 Scotlend Teday. 6.30 Telking Scote. 10.30 Festivel Cinems and TV with Aligair Moffet. 11.16 The Heant of Men. 12.15 am Late Call.

B.35 sm Serame Street. 10.35 Project UFO. 11.25 Rocket Robin Head. 11.50 DFO. 11.25 Mocket Robin Head. 11.50 pm: TSW News Headlines. 2.45 Skin Osep. 5.16 Gus Hensybun'o Magic Birthdays. 5.20 Crosenads. 0.00 Today Seuth-Wast. B.30 Televiews. 6.40 Sports-wask. 10.32 TSW News. 11.30 Vegas. 12.25 em Poetscript.

. TVS B.35 am Peint Alonp With Nency. 10.00 Survival, 10.25 Animated Classics. 11.16 European Felk Teles. 11.30 Felcon Island. 1.20 pm TVS News. 2.00 The Tall Ships' Pemde of Seil. 3.16 Welcome Back Kotter. 5.15 Happy

Days. 6.00 Coast To Coast. 11.30 Barney Miller. 12.00 Company. TYNE TEES

B.20 am Ta Good Word. 9.25 North-Esst News. B.30 The History Makers. 9.55 European Folk Teles. 10.10 Cities. 11.00 Survival. 11.25 Stingray. 11.50 Mumbly. 1.20 pm Horth-Esst News. 1.25 Where the Jobs Are. 2.00 The Tall Ships' Perede of Sail. 3.15 Here's 800mer. 5.15 Private Benjamin. 6.00 Horth-East News. B.02 Crossroads, 6.25 Northern Life. 10.20 North-East News. 11.30 Facinp Oseth. 12.00 Proper Propagation.

ULSTER 10.10 am Resente Sweet. 11.10 Terzen. 1.20 pro Lonchone. 2.45 Circes. 4.13 Ulster News. 5.15 Mr. Merlin, 6.00

YORKSHIRE

9.30 am Sesame Street, 10.30 Jason of Star Commend, 10.55 Paint Along with Nancy. 11.20 Recket Robin Hocd.
11.50 Threade. 11.55 The Bubbles.
12.00 pm Celender News. 2.45 Cheric's.
Angels. 5.15 Officent Strokes. 6.03
Celender (Emley Moor and Belmont editione). 11.30 The Living Legends of Jezz and Blues. (The James Cetton Rend).

Brooke-Taylor (S). 11.00 News, 11.03

Mamunia is capable of scoring again

RACING BY DARE WIGAN

Carson's wish to forego Bath. Mamunia was never in danger and Starkey look the team to

by Cutlass out of a Ray's A the lead a quarter of a mils Fillies Stakes I expect it to be Native mare, already looks to home. Native mare, already looks to form home.

She was a promising sixth as thing I have no doubt: reasonably confident choice to a 50-1 chance at Yarmouth on Mamunia, a well-made bay out take advantage of the 9 lb he

receives from Shaves You Close

BATH . 3.30 -- Kuwait Desert** 5.00 em As Redie 2, 7.00 Mike-Reed. 5.00 smon Bates. 11.00 Tony Blackburn with the Redie 1 Roedshow from Weymouth. 12.30 pm Newsbett. 12.45 Lave Lee Travis. 2.00 Stave Wright. 4.30 Peter Powell. 7.00 Radie 1 Mailbag. 8.00 Osvid Jansen. 10.00-12.00 John RADIO 2

5.00 am Ray Moore (\$). 7.30 Tarry Wogen (\$). 10.00 Jimmy Yeung (\$). 12.00 Diene Gors (\$). 2.00 pm Ed Stawart (\$). 4.00 Devid Hamilton (\$). 5.45 News: Sport. B.00 Jan Laeming (\$). 8.00 Alen Oell with Gence Band (S). 8.00 Alen Oell with Gence Seno Days. 8.30 Ameng Your Souranin (S). 9.15 Ronnis Addrich with his piene end orchestra (S), 9.55 Sperts Oask. 10.00 Wir's End. 10.30 Hubart Gregg says Thenks for the Mamery. 11.00 Brien Matthew presents Round Midnight from

the Edinburgh Featival (stereo from midnipht). 1.00 am Encore (5), 2.00-5.00 Yeu and the Night and the Muelc (5), 1 RADIO 3

6.55 am Wather. 7.00 News. 7.05
Your Midweek Cheice (S). 2.00 News.
B.05 Your Midweek Choice (Continued).
B.00 News. 9.05 This Week's Composer: Rechmaninov (B). 10.00 London Symphony Orchestre (S). 11.00 Edinburgh Internstional Festival. part 1: Mazart, Commile Muldowney (S). 11.55 Here Instead with Laonard Roper. 12.10 pm Edinburgh Internstional Festival. part 2: Tcheikovsky (S]. 1.00 News.
1.05 BBC Welsh Symphony Orchestre (S). 2.20 Weber's Clarinat Quintel (S). Clars Fran (S). 2.50 Percy Aldridge Grainger (S). 3.30 Gardenars' Tertini (S). 4.00 Choral Evenseng (S). Service. 7

4.55 News, 5.00 Meinly For Piesaum (S). 6.30 Haminh Milne plane recital (S). 7.00 Let the Peeple Sing (S). 7.30 Proms from the Royal Albert Hell. part 1: Welten, Smalley (S). 8.15 Six Continents, 8.36 Proms; part 2: Comments. 8.35 Proms. pert 2: Prokofiev. Shestakovich (S). 8.35 A Century of Poetry. 10.00 Ruseusn Songs motital, part 1 (S). 10.35 Intervel Reading. 10.40 Recirel, part 2. 11.15-11.12 News.

RADIO 4

6.00 am News Briefing, 6.10 Ferming Todey, 6.25 Shipping Forecaet, 6.30 Today, 2.43 The Borrowers by Mary Norton, 8.00 News, 9.05 Midwesk; Clare Francis, 10.00 News, 10.02 Gardeners' Question Time, 10.30 Daily Service, 10.45 On Holidey with Tim

Baker's Dozen (S). 12.00 News. 12.02 pm Yeu end Yeurs. 12.27 A Smell Town pm You end Yeurs. 12.27 A Smell Treen in Germany by John Lo Cerre. 12.55 Westher: travel; programma news. 1.00 The Werld at One. 1.40 The Archers. 1.85 Shipping Ferecast. 2.00 News. 2.02 Woman's Hour. 3.00 Lews. 2.02 Nerms. 2.02 Woman's Hour. 3.00 Lews. 2.07 Fire For Yerse. 4.00 News. 4.02 Paim Tree Courts in the Seuth Seas. 4.10 Pecr Britain . Life on end below the breedline. 4.40 Story Time. 5.00 PM: News megazine. 5.50 Shipping Ferecast. 5.55 Westher: programme news. 6.00 News. 5.55 Westher: programme news. 6.00 News. 7.05 The Archers. 7.20 Checkpcint. 7.45 Anim51 Language (5). 8.15 Evelost: Chris Bonington recalls the strempt on the Est-North-East Ridge (5). 9.30 Kaleidoscope reperts from the Edinburgh Festivel. 10.00 The World Tonight, 10.30 Radie Active (5). 11.00 A Book at Bedtime. 11.35 The Financial World Tonight. 11.30 Unforgettables. 12.00 News.

Mamunia, a twice-raced filly once she had been sent into follow. In the Tog Hill Malden

DESPITE the fact that Dick her debut earlier this month, of a sister to Sparkling Native, Hern is saddling a Royal and made a successful return is capable of scoring again in runner—the Queen's Sagaro to the course a week ago when better company. Unless La filly Wise Choice—at Bath justifying some substantial bets Reine Rose and Mullet can today. Carson has been released in the 15-runner Hall Quay improvs considerably on their today. Carson has been released in the 15-runner Hall Quay improve considerably on their to ride at Brighton. Even a Maiden Stakes with a victory recent third-placed efforts. cursory glance at the south over Monongedia. Always Mamunia should give weight coast card will convince many handily placed in the hands of away all round without too that the presence of Mamunia that renowned work rider and much trouble. is the principal reason behind occasional jockey Ray Guest, Returning to Bath, Harwood

have been cheaply bought as It is difficult to evaluate the Pulcorough's Grub: while an a \$48,000 (£27,500) yearing.

It is difficult to evaluate the Pulcorough's Grub: while an merit of that form, but of one hour later Kuwait Desert is a

in the Bristol Nursery. BRIGHTON 2.00—Mamunia*** 2.30—Talsa Flyer

2.30--Grub*

4.30—Loyal Supporter

EDINBURGH FESTIVAL

MUSIC AND THEATRE

Dresden State Opera

The first of this Edinburgh Festival's guest opera companies is the Dresden State Whose success with Strauss's Ariadne auf Naxos on sum of its parts. The company though any company would be four of the principal roles, including the Brighelia and the

Emmerlich, a gloomy giant) are setting; no added japes, no tem-to be taken by the same singers peramental flouncing by the in all three performances here. With its modest orchestra, Ariadne is one of the few post-Mozart operas that fits bappily into the King's Theatre, and under the unobtrusive direction

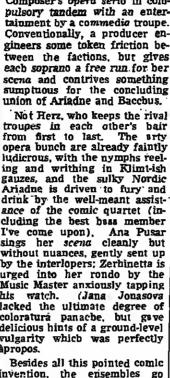
kapelle supplied seasoned warmth without special graces. Monday was remarkable for being so much more than the like Festival material, the prodoes not boast great stars, ducer, Joachim Herz, bas raised it to a bigher power by beadyglad to depend upon the Staats-kapelle orchesira; in fact, only rigorously as a company opera, not a showcase for star turns. Herz makes the Prologue just

(Gunter that, an introductory scene-

performers, who are sensible professionals checking their make-up and reviewing their lines. Werner Haseleu is a fine Music Master, kindly and fussy of Siegfried Kurz the Staats- in the Schöffler vein; the Composer this time was Elisabeth Hornung, personable but vocally constricted at the top. The weight of the evening lies with the opera proper, which as you remember consists of the Composer's opera serio in compulsory tandem with an entertainment by a commedia troupe. Conventionally, a producer engineers some token friction between the factions, but gives

> Not Herz, who keeps the rival troupes in each other's bair from first to last. The arty opera bunch are already faintly ludicrous, with the nymphs reeling and writhing in Klimt-ish Ariadne is driven to fury and drink by the well-meant assistance of the comic quartet (including the best bass member I've come upon). Ana Pusar sings her scena cleanly but without nuances, gently sent up by the interlopers; Zerhinetta is urged into her rondo by the Music Master anxiously tapping his watch. (Jana Jonasova lacked the ultimate degree of coloratura panache, but gave delicious hints of a ground-level vulgarity which was perfectly

Besides all this pointed comic



invention, the ensembles go with enormous verve and Herz's devices actually articulate the lengthy duet far better than most attempts at playing it straight. For definitive lead-ing ladies, one would look else-where (the Dresden Strauss tradition bas surely faded a bit); but I baven't seen a funnier or fresher Ariodne, nor one more sensitive—despite appearances—to the intricate structure of the piece.

DAYID MURRAY



Irene Worth (arms raised) in L'Olimpiade

Cooperativa Teatromusica,

the libretti of operas without their muses. He can thus demonstrate that libretti, whose emonstrate that libretti, whose emonstrate that libretti, whose emonstrate that libretti whose emonstrate that libretti whose emonstrate that libretti whose emonstrate that libretti without the programme that the on stage by the director but by the conductor, through the play commences." music; may have an intrinsic dramatic life of their own.

He has certainly chosen a difficult example for his production with the Cooperativa Teatromusica of Rome. Metastasio's L'Olimpicie contains every no less, is on hand to provi operatic quirk imaginable. King a commentary on the action. Clistene bus twin children, one of whom. Aristca, rose up to be a princess while the other. Filinto, is abandoned, an oracle

approves of him. He removes to poetry reading. Crete, where he is rescued from

In practice, it doesn't much matter whether you can follow the plot or not, firstly, because it is not the plot that is important as the production, and secondly, because Irene Worth, no less, is on hand to provide

We have a plain stage, and changes of scene are indicated very cleverly by the varied use of translucent white curtains. The recitative is spoken as if play, under another name. having forecast that he is likely The recitative is spoken as if to kill his father. Aristea is in for a theatrical performance (in

love with Megacle, an Olympic , Italian, of course), but the arias champion, but the King dis- and the choruses as if for a

Sometimes, I am bound to bandits by Licida, son of the say, I was made to think of King of Crete. King Clistene W. S. Gilbert as much as Metahas meanwhile decided to give stasio, in the choruses espedirector, is to produce on stage the libretti of operas without the libret performance. · The occasional laughter, both

from the Italian-speaking and the monoglot sections of the audience, made me wonder if those chases and misunderstand-ings were meant by Metastasio to be as funny as Mr Sequi made them appear to us. Even Miss Worth, a bundred times welcome back on our shores, could not always keep a chuckle out of her voice as she steered us through the thickets. I hardly need to say that the lost Filinto is bappily rediscovered, living, like almost everyone else in the

June Ritchie and Benjamin Whitrow in Granada's A Bit of Singing and Dancing

The Radio Times proclaimed Sheridan's The Critic (BBC 1, Monday) to be a rollicking satire. Kenneth Tynan, on the other hand, once dubbed it the wittiest play in English.

Both assessments must have struck anyone who had not succumbed to the first episode of Volley of the Dolls on ITV as bopelessly wide of the mark. I doubt if anyone cares anymore about the debunking of 18th glows. in Sheridan's original text any rate, is the spirit in which be conducts the operation. And, of course, the quality of English prose that only an Irishman could easily write or truly relish.

I hate to sound pedantic about all this, but Louis Marks's Play of the Month production was not only a bore, it was a travesty. I would guess The Critic would play for about 40 minutes in the theatre. Tele-vision always thinks it a tremendous joke to belabour theatrical satire, so this version stopped only 10 minutes sbort of two hours. This was partly due to the tiresome invented dialogues, quips and even entire scenes of Don Taylor. But chief culprit was some awful creeping notion of 18th century "style" that of 18th century "style" that finally exciting as he ripped up Love" series from Granada was involved antique musical inter- his own text, a fragment of dingity impeccable in its way,

ludes, flickering candles and much striking of posture.

English language classics are invariably a disaster on television because no-one who works there knows very much about stage convention. The minute theatre people tumble the process, the creative among them set about defining new standards. Hence, for instance, the bleached, impeccable work of a director like William Gaskill with Farquhar and, more recently, Goldsmith.

The Critic needs no trappings or curlicues for tourists. It needs merely hard but sympa-thetic playing and a very talented cast. Only the latter requirement was in evidence, but even Hywel Bennett as Puff, "the practitioner in panegyric" whose Spanish Armada confection is rehearsed for the benefit of Norman Rodway and Nigel Hawthorne (an Initially effective duo of smug. self-satisfied critics) was eventually defeated by his tail wig, beauty spot and high-pitched giggle.

One scene came off brilliantly: the deflation of the late Alan Badel's Sir Fretful Plagiary with a torrent of des-tructive abuse. Badel whinnled and haw-hawed in the face of the critics' unstoppable vitriol.

If the Amadeus were very

much the junior partners in this

performance their form in the

Op. 54 No. 2 had a confidence

in which Norbert Brainin's im-

provisatory decorations to the Adagio was the bigh point, but Schubert's G major quartet

began uncertainly and deterior-

ated. Over the last two move-

ments, especially, a respectful

veil must be drawn.

which fellcitously descended and nestled in his trembling periwig.

Treasurable, too, was the brief appearance of John Giel-gud as Lord Burleigh rendered echless cither by the Drury Lane fracas or, more probably bis own tactful inclination. According to Tynan, Ralph Richardson overdid this part in the last London production—Olivier as Puff—in 1945.) Gielgud emitted grim, silent dis-approval and, on reaching the wings, departed with an audible cough. This lovely nuance apart, the evening trundled on, collapsing altogether on a line of Don Taylor that goes straight into my little black book of dead-aphorisms; "Nothing In the history of the theatre has ever been perfect; if it were, no one would bother to come."

That line was delivered by Jenkins, perbaps.

but terribly slight. Adapted horrible truth, I had taken by Hugh Whitemore from a myself off on Saturday after-short story by Susan Hill, it noon to witness (along with 927 was the story of a spinsterish other masochists) Halifax Town daughter (played with spell-binding restraint by June ending in Yorkshire and I Ritchie) taking in a lodger thought, well, let's get down to (Benjamin Whitrow) in defiance of dead Mum's (Evelyn Lave)
misgivings. Miss Laye slid
craftily into the camera lines
—not for nothing is she
christened "Boo"—while the not-so-young couple swapped strained banalities to the accompaniment of one of those meandering single play slightly modern string quartets.

I enjoyed Miss Ritchie's tiny explosions and the sight of sarily turn up at The Shay next Gillian Martell, a wonderful month; but I do think that actress, in the small part of a ferociously sympathetic visitor more adventurous in their to the library where Miss Ritchie worked. The play was at least better than the previous week's item in the case also is these constitutions. It week's item in the same slot. Combnt, which featured another overbearing mother (Joyce Red-man) trying to cope with her son's homosexuality.

Benjamin Whitrow and the setting of Morccambe came into their own with the revolation of the lodger's secret occupation—busking on the senfront to the music of Glenn Miller. I can think of more futile jobs. but not offliand. Miss Ritchie, giving nothing away, said a lot by squinting from the safely of the geriatrics' shelter on the promenade,

The night before, I had been in Eastbourne with BBC1's Summertime Special. This disgraceful presentation is the sort of programme slipped into the schedules because they know Cbris Dunkley is on holiday (fear not, he's back next week) and think nobody else is watching. I was prepared to put up with it until Bernie Winters brought on a large dog and sang 'T've grown accustomed to your face.

Enough was enough, I decided. That line was delivered by Clive Francis as Sheridan. Monday readers of the Guardian TV listings might have believed, as advised, that if was delivered by Clive James as Sheridan. I wonder if anyone laughed. Clive I are the supporter. You I sould be the supporter in the sup as the credits rolled. Could I now steel myself for the FA Jenkins, perbaps.

Sunday night drama was Cup. Italy, Brazil and France equally grim, but at least it all played football I know to announc was shorter. A Bit of Singing be quite beyond the capabilities withdray about the Love" series from Granada was Ardiles.

Love" series from Granada was Ardiles.

Coming to terms with this Elliott. sec, I really enjoyed the World Cup. Italy, Brazil and France

Max Loppert

The Wanderer/Albert Hall

Proms setting of magnificent English poem

The Wnnderer, a big piece (50 minutes in length) for bassbaritone solo, large chorus, and orchestra, by Naresb Sohal, was given its first performance by the BBC Symphony Orchestra and choirs at the Proms. on Monday. Sohal (b. 1939), who spent the first balf of his life in India and has spent the remainder so far in England, has previously been admired for a series of delicately fashioned instrumental and vocal works (notably among them Dhyon I and Poems of Togore) that revealed a fundamentally oriental ariistic outlook, transcribed and re-created with sensitivity and intelligence for Western instruments and ears.

arming downwards through an initial semitone); piles of as its text tapart from the disputed opening and closing lines) the full length of the magnificent Anglo-Saxon poem in Michael Alexander's travelar tion, marks a transformation in breaks out, at limes in staccato cianship) its bass-baritone.

characterising fondness for unencumbered textures (often no more than a lyrical line high above a clear-cut bass) may

is fittingly charged with the of dark, brooding colours of the sin poem; there is set up in the music a creative tension be-tween the distinctively European epic manner of the verse and the composer's methods which gives the work both its individuality and its dramatic energy. The poem is a bleak vision of man's harshly unaccommo-

dated movement through a hostile world; and the musical response to it culists images simple, powerful, and on a first bearing unfailingly effective. High strings shimmer in icy tremolando, or take sinuous melodic shapes (usually falling

that outlook. Though Sobal's choral bursts (at one point taking the first sopranos to top C sharp), at times lurching in the orchestral depths. The language of the composition, flourishing ostinatos and spoken still betray his origins, the irruptions for the chorus, atmosphere of The Wanderer focussing particular significance expression upon the solo

singer, combines angularity and simplicity of utterance.

basics as the managers always say on Match of the Doy (Sunday alternoons this season,

Basic it was, but thoroughly entertaining. Halifax's Davison

scored a slick hal-trick in the

3-0 triumph and the black No 3. Everion Weekes, is a most

promising young player. Tele-vision crews should not neces-

month; but I do think that Jimmy Hill and Co should be

is there, sometimes, that you see what the First Division too

often forgets: that football is only a game. The World Cup, though, has probably spoiled

There has been some wonder

ful music: Radu Lupu playing

Beethoven's Fourth Piano Con-

Symphony Orchestra (BBC 2, Sunday), and George Melly twinkling, glaring, pouting and

bopping last Wednesday and for the next three 1BBC 2).

In Edinhurgh, they are about

to discuss media coverage of the

Falklands crisis. What about

the French Government's stipu-lation that, in exchange for policing the exit of PLO terrorisis from Beirut with the

Foreign Legion, they expect television footage to show that

exit in an heroic light? Both English channels have obliged

Dorothy Tutin as

Sarah Bernhardt

Sarsh Bernhardt in After the

Lions, a play about the great French actress by Ronald Har-wood which opens at the Royal

Exchange Theatre, Manchester, on November 18.

Mai Zetterling was originally announced for the role but has withdrawn after discussions about the Interpretation with the

author and the director, Michael

Dorothy Tutin is to appear as

with craven alacrity.

me for a few months.

with promised

material).

The Wnuderer makes an impact; the large audience, though it may have come mainly to hear The Planets in the second half, was obviously held. And so was I, while wondering more than once whether its effectiveness was not, somewhere at its centre, crudely opportunistic, and while questioning whether there could be any room for further dis-coveries in a second hearing. This is a choral composition that could well be taken up by more than one grateful choral organisation; indeed, this may be Sohal's first big popular success. Andrew Davis, a regular Sohal champion, conducted a lucld and authoritative performance, admirably paced, with David Wilson-Johnson (gritty of tone but accurate of musi-

rest of the evening suggested that the spotlight had been quite tartfully directed else-where. Haydn's C major quartet

Quartet's recitals at this year's blemished line.

Holliger/Elizabeth Hall

Andrew Clements

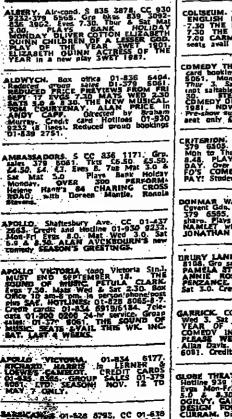
The third of the Amadeus to full voice in a single, un-

South Bank Summer Music brought with it on Monday Heinz Holliger to play Mozart's oboe quartet K.370. Mr Holli-ger's appearances during this short season are timely, for he bas become a relatively rare visitor to London of late and there is a tendency to underrate the quality of artists one once took for granted and now hears less frequently. There are other oboists around who perhaps bave a richer, more creamy tone; no one bas Mr Holliger's sovereign control, his dynamic range nor bis effortless articulation.

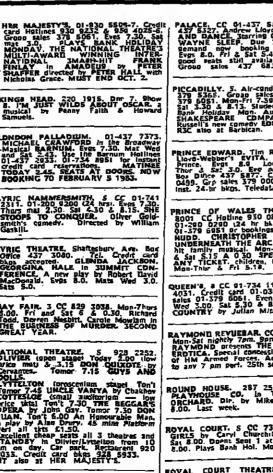
In the oboe quartet these capabilities were generously employed, though always within the ambit of a performance that was musicianly and scruput lously tasteful. Phrasing was of crystalline melodic lines seemed to defy the natural laws of breath control, entries—at the

For the second week of Summer Music the early-evening slot in the Purceil Room is being filled by six singers from the London Sinfonietta Voices in programmes of Wilbye and a refinement that put even the Poulenc. If the first instalment Amadus players in the sbade, on Monday was an accurate harbinger of the remainder it will he a rare treat, for the breath control, entries—at the beginning of the slow movement most speciacularly—allowed the oboe tone to grow from nothing great care.

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Monday Aug 10. ROBIN ARCHER A

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Wed mats 2.45. Sets 5 8 8 GORDON
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F.T. CROSSWORD PUZZLE No. 4,957 ACROSS 1 Party-game? (6-2-6) 10 Faced pole (5) 11 U.S. toeing's unreliablefoot-fault state? (9) 12 Bevan's B1? (7) 13 Ruined OPEC's bastened round (7) export-Intensity of small section at bospital (5) 16 Such a gratuity can be appealing (9)

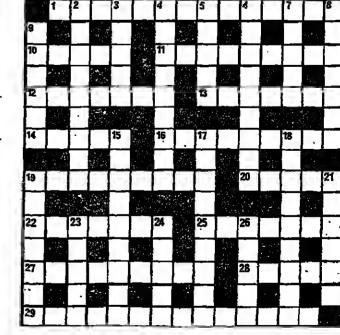
20 Clean sort of cavalry-weapon 22 Ex-ception keeping it in the family (7) 25 Whole, for example, in Bury

> 27 Central tie on s girder (4-5) 23 Man's punishment that grows (5) 29 Thomas Percy's relisb? (9.5)

DOWN 2 In trouble, conveniently 17 As herring is served, one to (2, 3, 4)

wall in Paris (5) 4 Sleepers have carriages illuminated (8-3) 5 Thus faithfully we remain in business? (5)

6 Ideal trio arrangement for leader (9) 7 Live fit by day . . . (5)



the rest live round the 26 Shin up first-class piece (5) bend (7) Solution to Puzzle No. 4,956

9 Ply in London street (6) 15 Cardialgia, Keat's first sympion? (9)

add dressing needed (9) 3 Noclumnal climber of the 18 CE praying amounts 10 hymn of praise, say (9)

> 19 Viking code of Anglo-Saxon England (7) 21 Basic soll, over a yard (6)

> 23 Coming before a superior 24 Paich a cuff (5)



When switching markets produces a breakthrough

Jason Crisp continues a series on companies exploiting the liberalised UK telecoms market with a report on Norton Telecommunications

"WE ARE withdrawing lotally from any research and develop-ment octivities." says Peter Morris with some reliab. But if. as chief executive of Nortoo Telecommunications, he sounds as though he is trying to defy conventional wisdom, he can point to past experience when developing its own products proved nearly disastrous for the

company. Now, Norton believes that its strength lies in selling other companies' products into the markets it knows. Principally an installation company, with some manufacturing activity. Norton is now adapting to become much more of a marketing organisation. And with the liberalisation of the UK telecommunications market some quite major changes have begun to take place within this 11-year-old company.

For a start Norton has firmly grasped the coat-tails of Mitel. the entraordinarily fast growing Canadian telecommunications company. It is one of just three organisations licensed to sell Milel private telephone Milel private telephone exchanges (PABXs) in the UK. The other two are British Telecom itself and ICL. British's largest computer

manufacturer. Although Norton only has a turnover of around £5m, it is now talking of selling £7m worth of Mitcl large and small the market for these products is not scheduled for liberalisa- ployed at the Post Office. tion until the summer. (I) may earlier on the grounds that BT is already doing so.) Total turnover for next year is expected at least to double to

£10m to £12m, says Morris.
The Mitel deal is going to be a crucial factor for Norton if it is uning to catabult itself. from heing a tiny-although munications sub-contractor into mate and acceptable way." a significant company . . . which

just a few years it has become electronic PABX developed for the second largest supplier of the European market and knows—telecommunications.

PABNS in the U.S. after which hecame the first in gain. After the video games disaster Western. Electric. It also Post Office approval for installa- Norton began another diversifiing, the first company to break tion work is the complex task



Monopoly

for PABNs, much to the other companies' annovance. It has a similar success in France and sells to a number of other countries, including the Middle offshoot in that region,

Norton was born in 1971 as area of telecommunications subcontracting which had proliferated throughout the 1960s. Then, many good telephone engineers, trained either by the suppliers, like Standard Telephones and Cables and Plessey. became freelance sub-contrac-tors installing equipment such on the "lump" the self-employed PABXs next year, even though engineers could make much

When the Inland Revenue started to crack down on the engineers a number of com-panies, such as Norion, were formed to continue the subslances which creation: "It enabled us to carry on and do what we had been reasonably successful-telecom- doing before in a more legitl-

About a year later Norion was approached by IBM, the U.S. after aggressive lobby- tion in the UK. The installa- cation-this time of markets. to BT and win sizable orders whole installation rather than Republic and the Middle East, ing relatively antiqualed in operations,

the alteration of the sophisticated software.

A great number of companies had been asked to bid, says Morris. He believes Norton was asked as well simply because it was in the Yellow commercial directory. Since then, it has been one of the major installers of the IBM telephone exchanges. Norion also became involved

in manufacture in the early 1970s. It hegan making automalic test equipment for STC and the other major suppliers. The key to its success then, very much as now, was its ability to respond rapidly and complete an order for equipment more quickly and cheaply than large companies could do

However, In 1974 the company suffered major sethacks in the recession, particularly because its main customers the large established telecommunications suppliers—began to cut back on sub-contracted work to do it internally.

The dependence on oulside companies affected Norton's thinking and it began looking for a way to find its independence. After studying the leisure industry it deripled to diversify into TV games. Norton claims it developed a game which was the first to have colour and considerable flexibility. Prob-lems arose in getting the design completed of the necessary custom-made microchlp for the

Norton saw an apparent goldmine fading as it missed the first Christmas period through technical problems. Then it was hit by low-priced competition contracting. Morris, who hit by low-priced competition joined Norton after it was from established semiconductor founded, says of the circum-companies which used their led to its substantial economies of scale to undercut Norton's specialist chips. Finally the TV game market collapsed for lack of demand.

For Norton the investment had been major. "It very nearly Milel's PABXs have been very computer giant. It was looking killed us," reflects Morris, who successful around the world. In for companies in instal its new now helieves the company should keep to the business it

The two major areas II hegan



to sell them

selling anything from manhola covers to PABXs.
Norton has achieved more exchanges.

than one remarkable coup in the Middle East, where it sold 51 per cent of its subsidiary in January to its local partners. Earlier this year, in partnership with the Italian company Italtel. microwave communications. The main competitor was Nippon Electric Company of Japan, probably the leading inter-national supplier of microwave communications systems. The contract is a significant feather in the cap of this small Lutonhased company. The Middle East now

accounts for about 40 per cent of Norton's total turnover in the current year. The company hopes that considerable expaosion in the UK will reduce its and individuals, with two of the dependence on this area. Approximately 20 per cent of Norton's business still comes from the installation of the oldfashioned electro - mechanical Strowger PABXs, maioly in the

substantially lower than antici- sallon has given us the paled this year. Nevertheless Morris remains optimistic that there is still some life in the dying business of Strowger exchanges. Because of the recession companies are more likely to extend existing old systems than buy new electronic exchanges, he feels.

cent of Norlan's turnover is now the installation and wiriog of

comparison with the current generation of digital electronic

Norton has a amail maoufacturing operation in Hinckley, Leicestershire, making parts for the old - fashioned Strowger exchanges and logging equipment which monitors calls through private exchanges. It is also licensed to make other equipment. But, says Morris, We are reshaping the company into a sales and marketing operation. If we become very good at that the companies with the best products will want us to sell them. It comes down directly to our greater ability to penetrate a market much hetter than outside companies."

Norton is currently owned by small group of institutions directors owning 24 per cent. Morris is, however, keen to achieve a public quolation for Nortan although the timescale is not yet clear. One reason is to give Norton the financial muscle to acquire other com-Its Strowger husiness has been panies in the field. " Liheraliopportunity to seek acquisitions of substanlial telecommunications companies which are lacking in direction," Morris ambitiously,

He sees Norton as primarily a telecommunications markel-ing and Installation company; this is why it is abaodoning any Probably less than 10 per attempts to do its own research and development. And for the hackground facts. We cannot same reason it is unlikely to quite see what is behind your the ring of traditional suppliers of wiring the frames and the lo concentrate on were the Irish IBM exchanges, which are look- extend its small manufacturing questions, so our replies must

BOARDROOM BALLADS

EYE OF THE BEHOLDER

They say the one-eyed man is king; But here, where most of us have eyes, The Government won't see a thing.

At least, it seems that what they see, About their promise in the sky, Requires perception of a kind Denied the banks or CBL.

For empty order books must-be The wicked artefacts of those Who look, but have not eyes to see The holy emperor's new clothes.

Companies oppoint receivers. Languish in intensive care, Mainly since the non-helievers Will not see what isn't there. If they tell them all once more That we're bumping on the bottom, Not collapsing through the floor,

Acolytes of this religion: Must offirm that things are better, Even though a few, disloyal

Businessmen are getting wetter. The sacred place from which the priesthood Gains this transcendental view Is mainly Downing Street and Whitehall, Not the unemployment queue.

Glasses for the unperceptice. To reveal this growth and wealth, Rumour has it are on offer Gratis, on the National Health. Bertie Ramsbottom

Next week: The executive commondments

Increased asset

I run a petrol station and some years ago made a deal with an oil company that, in exchange for the exclusive right to supply me with petral far 10 years they would advance me £50,000 to turn the station into a selfserve unit. Twn clauses in my cootract were (1) that I was to complete the work in three years (this has been done) or else return any oet spent, and (2) I could terminate the contract ot any time but would have to pay the oll company of £416.66 per month for the

unexpired perind. In fact I had to speed coosiderably more than the money advaoced hy the oil company. 1. How can the Inland Revenue now claim that I have an increased asset, when the highest price I have heen offered for the freehold is two-thirds what I could have got for it four years ago? 2. How can the Reveoue claim that the £50,000 received from the oil company was a gift, taking iotn occount my contract with the company?

Your accountants are really the only people who can help you, because they know the full be of limited value. 1. The your comments on whether possible.

expenditure doubtless resulted in the drop in value being less than it otherwise would have been; so the expenditura effectively enhanced the value of the property. 2. The oil company's cootribution to the expenditure was not a gift; It was made for commercial considerations.

Private company

I was surprised by your reply: to the letter headed." Private company" in Business Problems on July 14. Ynn state:
"There will in all probability hove heen no dividends declared in a company (ie. private, limited) of the kind you mention . " I had hitherto believed that such companies were required by law to declare a divideod of 60 per cent of after-tax profits. I would be obliged if you could tell me whether I am wrong on this point, or is some legal method of avoldance "?

Your assumption is not correct. A private limited comnot a public limited company) is not required to declare any dividend however large its

Governors and

guarantors

I should be very grateful for answered

the board of a company limited by guarantee has any obligation to admlt guarantors as envisaged in the company's articles of association? Has the registrar of companies any powers in this area? This arises in respect of a non-profit making company whose principal object is the provision of housing. management services. The articles of association say: that the number of guarantors the company proposes to be registered is 50. At present ... the guarantors appear to be limited to the two subscribers, who are apparently also the sole governors. Incidentally, io it still possible to inspect a company'o file in London? Where please?

There would normally be no obligation on the board to admit members where the number of existing members is below the limit provided in its articles—see Articla 3 of Table C-but the articles themselves should be examined to see if there is any provision to the contrary. Inspection of the company's file would now have. to be effected at the companies registry in Cardiff; it can no longer he done in London.

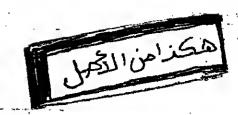
No legal responsibility can be accepted by the Financial Times for the answers given in these -columns. _All Inquiries will be by post as soon as



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Slack trade and excess capacity characterise most sectors of packaging. But the industry has trimmed its labour and other costs and in programmes such as waste recovery is seeking to adjust to the demands of the eighties - as explained in this survey written by MAURICE SAMUELSON of our Industrial Staff.

embodying materials.

mounted dispenser.

tainer market.

society," as well as long-haul

Alert to society's changing demands

PACKAGING IS among the least understood yet most apparent phenomena of the industrialised world. And in the 1980s it is undergoing changes as profound as those in the 1970s, when the age of affluence passed its peak and the view began to emerge that many goods had been excessively and wastefully overpackaged.

To the extent that most people are at all conscions of packaging, they now readily identify it with the unpleasant spoil tips of the consumer developed countries.

estimated in the UK at between £3.7bn and £4.6bn last year —

and processes available. At the

such as Metal Box, Continental

a bost of other medium and smaller-sized companies filling

specialist and non-specialist

creasing public interest in and awareness of its economic and

The industry's growth in size has been the reason for in-

commodities also reflects the quality of its life.

are a constellation of as many as 25 separate industries repre-senting the different materials When the housewife does her shopping, it is the quality and price of the food on the super-market shelf which seem to determine her choice and the top come the large national and multinational companies way it is packed appears at best, a secondary consideration. such as Metal Box, Continental In fact the container itself Can and United Glass but with

influences the housewife's choice, playing the role of what has been called "the silent

Yet the superficial attractiveness of packaging is only one of its functions. Even more important are its ability to preserve and protect its conto respond in a variety of ways.

To deal with criticisms of paper used to dominate well-aste manufacturers have step. defined areas. Now no one waste, manufacturers have step, defined areas. Now no one ped up their involvement in material dominates the packagreclamation and recycling programmes. The aim is not only to escape public censure but to reduce their own raw material and energy costs. The industry has also been anxious to demonstrate the responsibility feels towards the consumer

for the products it beips to sell. At the same time self-interest, rather than social responsibility, is forcing the in-dustry to try to increase its stake in packaging in the Third World in order to offset the difficulties being experienced in ingly close.

In their home markets, how-But that is only the familiar negative side of the coin. For the way in which society packages its food and its other commodities also reflects the quality of its life.

But that is only the familiar tents, to be handled and opened conveniently, and to keep down the conveniently, and to keep down the contents' price.

Competing for this market—contraction. Like the rest of industry, they have had to said the contents of the contents of the contents of the contents of the conveniently, and to keep down the contents of the conveniently, and to keep down the contents of the contents of the conveniently, and to keep down the contents of the conveniently, and to keep down the contents of the conveniently, and to keep down the contents of the conveniently, and to keep down the contents of the conveniently, and to keep down the contents of the conveniently, and to keep down the contents of the contents of the conveniently, and to keep down the contents of the content trying to raise their efficiency.
As a result the industry and the goods it produces will be not only leaner and fitter in the 1980s but in many instances startlingly different.

In Britain lower spending power is already leading to slimmer forms of packaging and to a torder. airline flights have given a big filip to the aluminium foil conand to a tendency smaller portions by "one shot" goods exemplified drinks containing as little as a fifth of a litre.

An element well thought out packaging may ability has also crept into the assumptions about which also he intensified as a result of

opment to which the packaging materials are most suitable for and of the rise of the super-manufacturers have felt obliged packaging which commodities. market, to respond in a variety of ways. In the past metal, glass and This trend was highlighted in

This trend was highlighted in a recent report by Euromonitor Publications of London which concluded that effective packaging could form the basis for ing scene or any one part of it and there is a growing trend towards more flexible containers successfully hunching new products. Changes in packaging, it added, "can endanger the a variety of position of a brand leader and Yet in their home markets revive the fortunes of the alsotoo, the packaging manufacrans. In other words, packaging the containers they provide. more positive way than any Metal Box, for example, is playother factor in the marketing

ing an important role in the UK in developing the foods which will sell best both in The importance of the self-service supermarket can be gauged from the fact that by 1980 they had come to account for more than one third of food existing containers and in new types such as plastic food "cans," whose entry to the market place is now surprissales in the UK and 15 per cent of total retail sales. As a result self-service has been introduced Changing social habits are into many other shops as well, exposing the customer to the direct influence of the packaginvolved in such curious novelties as the sale of liquid soap dispensers. This is creating when it comes to deciding what to buy. ing a new market for plastic

bottles and valves and will attack the position of paper-wrapped bars of soap. Even the Meanwhile, although packaging manufacturers have plunged into a weiter of remetal tube of toothpaste might find itself challenged by a wallcycling schemes, the public sensitivity about waste has not ahated and may continue to be expressed in legislative moves The vogue for take-away meals, which has led to the U.S. on packaging. being described as "the grazing

The marketing and distribu-tive functions of attractive and The Packaging Report, 1982,

CONTENTS				
Piasties				
Metal				
Paper and board				
Glass				
Recycling	70			
Machinery	מ			
· Flexible containers				



CONTRACT PACKAGING: A small, discreet but expanding sector of the industry is formed by companies performing packing operations for manufacturing clients on a contract basis. As shown by the illustration above of sachets by Lancepack, one of the leaders in the field, clients include big

ESTIMATED UK MANUFACTURERS' PRODUCTION/SALES OF PACKAGING MATERIALS

3	gauged from the fact that by			1977	1980	1981
e	1980 they had come to account for more than one third of food	Paper for packing and wrapping	('000 tonnes)'	142.0	128.3	114.3
-	sales in the UK and 15 per cent	Paper sacks	(m units)	1,045.0	934.6	893.0
	of total retail sales. As a result self-service has been introduced	Paper bags and carrier bags	('000 tonnes)	102.0	81.0	74.2
e	into many other shops as well.	Fibreboard cases	(m square metres)	2,429.5	2,397.3	2,395.2
ď	exposing the customer to the	Carton board for folding cartons	('000 tonnes)	558.0	508.0	487.0
-	direct influence of the packag- ing when it comes to deciding	Rigid paperboard boxes	('000 tonnes)	63.9	48.3	36.6
C	what to buy.	Regenerated cellulose film*	('000 tonnes)	76.G	78.0	74.7
Ċ	Meanwhile, although packag-	All thermoplastic materials	('000 tonnes)	640.0	692.5	716.5
e	ing manufacturers have	Glass containers	(m units)	6,548.0	6,406.0	6,075.0
t	plunged into a weiter of re- cycling schemes, the public	Closures	(bn units)	15.8	15.3	14.7
	sensitivity about waste has not	Tinplate for container manufacture	('000 tonnes)	899.0	718.0	715.0
,	ahated and may continue to be	Aerosols	(m units)	532.0	498.0	489.5
	expressed in legislative moves on packaging.	Steel drums, new and reconditioned	(m units)	39.6	33.5	32.5
1	In Britain, for example, this	Aleminium feil	('000 tonnes)'	38.7	39.4	n.a.
	might lead to some form of tax,	Metal collapsible tubes	(m units)	584.0	550.0	575.0
•	ranging from 1p to 5p per con- tainer, on the non-returnable	Jute sacks	(m units)	58.7	50.9	48.5
	can, bottle or hybrid pack.	Wooden pallets	(m units)	14.5	13.6	10.7
i	The Packaging Report, 1982,	Laminates	('006 tonnes)	122.1	129.7	114.9
	Euromonitor Publications, 18 Doughty St, London WCIN 2PN. (138 pages.) £36.	† BFPA members. * Total sales figures. The the large export element. Sources: Trade asso	ese are not synonymous ociations; Department of	with home Industry;	sales by to industry e	stimates.



C. Davidson & Sons

Bucksburn, Aberdeen

Packaging Boards



The Radcliffe Paper Mill Company Radcliffe, Manchester

Packaging Boards, Papers and Tubes

Davidson Radcliffe Secondary Fibres Bolton, Thornley & Aberdeen

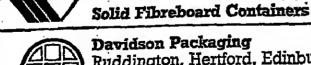


Wastepaper Processors and Merchants

The Congleton Board Company Congleton

Laminated Packaging and Display Boards

Chambers Packaging Beeston, Nottingham



Davidson Packaging Ruddington, Hertford, Edinburgh & Aberdeen

Flexible Packaging



Landor Cartons Birmingham, Erith & Aberdeen

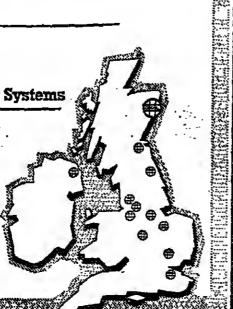
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-UNL II

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THE BIGGEST single user of plastics is the packaging industry, which in Britain accounts for about 35 per cent of the 2m. tonnes of plastics produced each year. It appears in every size, shape and form-in sheets of differing gauges, as bags, bottles,

trays, drums, crates and boxes. In many areas it has become a straightforward replacement for older materials. In others, plastics has created new markets of its own. There is also strong competition between different kinds of plastics. And in laminated packaging It combines with other materials, such as paper and foil, rather than replaces

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About 50 per cent of plastics packaging is used in the food and drinks sector; 33 per cent goes to the chemicals and allied industries; and 15 per cent for packaging consumer durables.

The chief characteristics of plastics are its lightness, versa-tility strength and, even though oil is the basic raw material. its relative cheapness. In the

PLASTICS

UK last year, while sales of most other important packaging materials declined those of plastics rose slightly in volume (to 710,000 tonnes) and in value (to £481m).

Even so, plastics' widespread use throughout the economy ensures that it immediately feels the recession. The state of Western Europe's chemicals industry — said to be losing £100m a month — is reflected in its over-capacity for the three man petrochemical "building blocks" from which plastics are

This year there is an estimated 27 per cent over-capacity for ethylene and benzene and nearly 35 per cent for propy-lene (a rise of 2 to 3 per cent

over last year). There was only a slight rise last year in the UK's consump-Consumption of PVC (polyvinyl-

Who?

ESTIMATED CONSUMPTION OF UK PLASTICS FOR PACKAGING MANUFACTURE

		CANA COX	mes)		
LDPE	1977 313.0	1978 340.0	1979 396.0	1980† 341.0	1981 342.0
HDPE	99.0	114.0	134.0	122.0	125.0
PP	63.5	72.0	79.5	69.0	76.0
PS	87.0	96.0	92.8	83.0	86.0
PVC	58.5	59.5	6L0	51.0	51.0
PVoC	11.0	11,5	12.0	11.0	11.0
rolyester	0.5	0.5	4.0	9.5	13.5
Miscellaneous	7.5	7.5	7.0	6.0	6.0
Total	640.0	701.0	786.3	692.5	710.5

ntilised by 30 per cent and high

density polyethylene by 23 per

As well as rationalising pro-

duction, new investment is being cut or held back. Dow postponed

construction of a polystyrene plant in Missouri, which was to

have begun production next

Britain's plastics industry has

been particularly affected by

imports from Scandinavia, Europe the U.S. and the Far

tration's decision to de-regulate

In 1980 (the last year for which figures are available) the

UK Imported 26,000 tonnes of

polyethylene while exporting only 88,900 tonnes. Among the

lower volume materials im-

exceeded imports (93,000). (Statistical and Economic Re-

ensity (LLDPE)

Europe every year.

produced by BP Chemie at

multi-coloured milk bottles on

the doorsteps of Britain one

would think this very ordinary

receptacle had started to "go

comflakes and cocoa thesa

bottles are one of the glass

industry's more colourful efforts to avoid being pushed out into

With their advertisements for

Laveram, near Marseilles.

U.S. competition,

Source: Packaging Review

and expanded polystyrene (EPS) fared better. The only significant growth area was polyester from which PET (polyethylene terephtha-late) bottles are made.

UK price movements told similar story—those of bigh density polyethylene (HDPE), low-density polyethylene (LDPE) and PVC declined; only those of PP and PS went

In the absence of an imminent recovery, manufacturers are and Middle East, tackling the problem of over- U.S. competiti capacity in the inevitable, pain- may soon be weakened as a ful way-by reducing it. In the result of the Reagan Adminis-UK this has been accompanied moves to cut competition oil prices, which have kept U.S. among major producers. While plastic raw material prices Imperial Chemical Industries down. bas agreed to cease making LDPE, and to concentrate on PVC, British Petroleum Chemicals is to take the reverse step. Some 1.800 jobs would be cut as a result of this mutual arrange-

ment.

In West Germany with Western Europe's biggest chemicals industry, BASF bas cut its capacity for LDPE by 200,000 PVC exports (124,700 tonnes) industry, BASF bas cut its capacity for LDPE by 200,000 tonnes, with more cuts to follow Hoechst has sbut 80,000 tonnes capacity for the same plastic and 30,000 tonnes of polystyrene

In the U.S., where packaging tion of polyethylene — the lead-ing plastics packaging material plastics output, over-capacity was cut hy about 5 per cent last chloride) remained unchanged. year but still remained consider-Polypropylene (PP), poly-able PVC plant was under-

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What?

85	85	85
85	85	85

When? Where?

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Which?	WI	w2)



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MATERIALS

Most of the main packaging materials have felt the weight of the recession, with competition internally and from imports increasing. Trading experience

and prospects are

discussed here.

UK BEVERAGE CAN DELIVERIES 1981 (m units)

Soft drinks	Metal Box 260	Continental Can 240	Crown Cork	American Can 190	Nacano
Beer: 1602	450	200	130	235	280
1002	125	50	, .		130
Total Source: Indi	835 istry est	490 imates.	130	425	837

Problems of over-capacity

THIRTY YEARS ago metal volving the loss of 3,800 jobs its two-plece cans from Metal reigned supreme among packag- in the past year and a half. Its Box and from Mardon Illinging materials. Today the most significant closure earlier worth).

drinking can is still highly this year, was at Westhoughton, The main change in the popular but it has to contend near Bolton. with competition not only from class but also from plastic and composite containers.

The food can, precursor of the drinks can, has been bit even harder, mainly because of the development of frozen food and other changes in social

Meanwhile, other forms of metal packaging bave arisen. The aerosol container seems to be making a comeback after

METAL

concern about the accumulated effect on the environment of propellant gases which it

Having flourished more than most other packaging industries in the 1970s, the beverage can makers in the UK are still suffering from the effects of over-enthusiastic investment. Over-capacity, put at 20 per cent or 100 per cent depending on the source consulted, means that few if any have been

view of the UK Packaging Industries, published by PIRA, Joly 1982.) Together with British Steel and Alcoa, the manufacturers have launched a combined While retreating on this front, the plastics industry is advanc-ing on others. One of the most significant changes is the development of a new form of public relations drive to sing the praises of drinking out of cans and to show that their dedication to waste recycling polvethylene called linear low is just as serious as that of their arch-competitors. the bottle

A recent study of plastics packaging (Key Note Pubbications, 23 City Road, London ECI) contained a forecast that by 1985, LLDPE would displace They bave less to say ahout their own internal difficulties. The varying estimates of bow much overcapacity exists proba quarter of the 3m tonnes ably reflect the degree of comnon-linear low-density used in petition among the various can makers, as each prefers to dwell By then, says the report, stretch films, sacks beavy duty shopping bags and disposable while ignoring its own. Yet this competition, according to some snopping bags and dispussable bags—would have moved "com-pletely" to linear low Leading producers of linear low are Union Carbide, Dow, Exxon and estimates, has grown even stronger this year, with price cuts of 15 per cent by some of American-owned

Dupont. In Europe, Unifos In Sweden and Dow have announcmaking companies. which after decades of an almost monopolistic position in grades of low linear film to its product range. The film is being its domestic market is being averam, hear Marseilles. battered by companies hardened in the U.S. where the move in the cartel-busting American

to low linear has already begun, market place. Metal Box has been no less ruthless in defending Itself, by closing lines and factories in-Its usage for food and non food packaging is expected to more

Value (£m)

Dairy products

Soft drinks

ciled to contraction

Whes and spirits

Beers and ciders

By end-use (m units),

Source: Glass Manufacturers' Federation.

atmospheric climate and the lead-free economic and this year's sum-mer sunshine will be reflected in their year-end figures.

But it will take more than a break in the clouds to justify all the investment in UK beverage can lines laid down in the late 1970s. The U.S. canmakers have started warily eyeing one another to see which of them is thinking of pulling out

There is likely to be keen competition, therefore for major contracts such as Coca Cola's seven-year order for 240m cans a year from Nacanco which is due for renewal in 1984 Last year this order helped to make Nacanco the UK's biggest supplier of soft

drinks and beer cans. Another dimension to this battle is the steady switchover from tinplate to aluminium. Of the 2.7bn drink cans expected to be made in Britain this year balf will be made of aluminium compared with only one in eight of the 2.9bn cans made three years ago. While Continental is strongly committed to aluminium rather than timplate.

other companies are less dog-matic about which material to use. Metal Box has reached the 50:50 ratio, although its new two-plece line at Carlisle will further increase its aluminium usage,

Tinplate is still the favoured material for food cans, however. While UK sales of canned drinks have heen on the increase, those of canned food have been falling, partly because of the preference for frozen foods and partly through on other companies' surplus fat Imports of canned fruit and vegetables from Europe. Even so, last year saw a-sur-

prising halt in this trend as UK production rose slightly (to 1,399,000 tonnes) after five consecutive yearly falls. Less surprising was the con-tinued increase (to 724,000

ced new plants, it is also heing These cuts seem to be partinued increase (to 724,000 developed by ICI, DSM of ticularly directed at winning tonnes) in UK production of Holland and Solvay of Belgium. more business from Metal Box, canned food for pets. This went BP Chemicals has added three the British packaging giant, into more than 1.6bn cans. ensuring that pet food stays the largest single user of cans in Apart from beverages, pet-

food is still the only other com-modity for which two-piece cans (Pedigree Petfoods purchases

UK MANUFACTURERS' SALES OF GLASS CONTAINERS

295

1.319

1978 316.2

1,697

480

1,565

1,453

148

552

131

321

6,714

1,679

478

330

1,390

620

365

three-piece food can for The beverage can industry, humans is the replacement of like the glass bottle makers, is dependent on both the welding which leaves the cans humans is the replacement of

Another packaging better than expected was the aerosol sector. Although last year's UK fillings fell 1.7 per cent (to 489.5m) their value rose to £61m. This is an area where Britain has a fine export record—overseas sales rose to 107m units while imports dropped from 10m units to a

Profitability was also boosted by the closure of a plant by Aerosols International, which may have eliminated over-capacity in at least one packaging industry. The main changes in aerosols are an improved valve (developed by Metal Box) and the switch to non-controversial propellants They are also starting to be used for food. A British supermarket is selling aerosols preserved cream imported from

Another change affecting metal containers (like other forms of packaging) is enhanced decoration aimed at increasing their appeal to the consumer. A range of new cans and aerosol cases produced by Metal Box have a brilliant gloss finish and the "feel" of enamel. Nacano, which makes 40 per cent of the paint cans for the UK market, will shortly open a £2m flat steel decorating plant at Norwich.

Other containers for which aluminium is the main material toothpaste, and aluminium foil. 60 per cent of which in the UK into food and drink packaging. Tubes have been hit by the

containers. To the disappoint-ment of the UK foll rollers, foil twice as high, approaching the need for some restocking.

some areas, though, such as cigarette wrappers thin gauge have replaced the traditional cigarette wrappers thin gauge Most companies were making three-piece can in Britain. foll is giving way to metallised "nil profit" and some were (Pedigree Petroods purchases paper.

384.8

1,625

1,395

357

1,314

132

426

484

484

1,333

338

720

523

120

6.075



fibreboard containers were parachuted into the sea for recovery by the Royal Navy. Capable of floating for up to 24 hours, they were made by Tri-Wall Containers at the Tilintson plant in Monmowth.

Putting a fresh face on exteriors

TUCKED AWAY in the UK Case, of which Mr Howard is packaging industry's most chalrman, has moved from three recently published digest of to two shifts on its one corrustatistics are two figures which gator at Purfleet, Essex. At sum up both the tribulations. and the hopes of the second big. of two corrugators and imgest sector after metal.

One records the output by members of the British Fibreboard Packaging Association (BFPA) and shows that it fell in volume in 1981 compared with the previous year.

While this was no surprise in the present economic climate, it was the first time since World War II that production had fal-len for two consecutive years, underlining the hard times which bave befallen the industry.

At the same time better news emerged. An accompanying statistic shows that in the same

PAPER AND BOARD

year there was an increase in output and sales (to £537.5m) of corrugated board, the principal fibreboard product. Although only slight, it was achieved in a year when output of every other major packaging material except plastics continued to fall.

Mr Michael Howard, chairman productivity and quality. Sales last year had been helped by the has a much lower per capita fact that manufacturers had use in the UK than elsewhere eaten deeply into their stocks in In Switzerland usage is almost the previous year, creating a

There was still little sign of compensate for the fall Hopes for its greater use in any real increase in demand, Britain depend on the growth however, which continues to be of instant and snack foods, eroded by the replacement of where foil hids are popular. In much fibreboard casing by smaller shrink-wrapped trays.

> The real success of the fibreboard industry has been in its reduction in spare capacity and its efforts to improve cases appearance and convenience.

> Although there is at least 50 per cent over-capacity in the number of its machines, there is only about 20 per cent excess in manned capacity. This is enough, bowever, to cause downward pressure on prices.

Fortunately, the industry's main raw material costs, largely influenced by the U.S. price for kraft liner, bave been static and last year's negotiated pay rise of just under 7 per cent is regarded by Mr Howard as "fairly reasonable." The next pay settlement is due next

Efficiency has also been helped by running factories with fewer crews and reducing the number of shifts. Thames

Warrington it has taken out one proved the equipment on the

The industry's main innovation in the past year has been to start improving the appearance of the cases' outer lining by flexographic instead of lithographic printing. This followed the adoption of equipment, called "direct drive knife," which greatly increases the accuracy with which cases are

> The flexographic printing is being used to print the layer of outer liner before it is stuck to the corrugated finting.

The object is to make filled corrugated cases attractive enough to be put directly on to supermarket shelves. Manufac-turers are also trying to make them easier to handle and open.

In this way they hope to regain some of the business lost because of the increased use of shrink wrap plastic for transit packaging.

The UK fibreboard industry's performance stands out well compared with other sectors using paper or other forestry-based products. Production of Tubes have been nit by find of the BFPA, authorities and wrapping paper was not a major new market may start partly to market forces and wrapping paper was not a major new market may start partly to his industry's efforts on per cent; paper sacks 44 per cent; paper bags 34 per cent; paper bags cent; paper bags 3.4 per cent; folding cartons 4.1 per cent and rigid paperboard boxes a massive 24:2 per cent.

The only sectors where slightly higher sales helped to volume were sacks (sales of £125m); folding (£120m).

Imports, however continued to hit the UK carton-making industry. In 1980 (the last year for which figures are available) imports of cartons for the first time overtook exports, belping to cause the closure of Austin Packaging Company, on the

No such troubles afflicted the UK cellulose industry. which remains a strong exporter. Although its exports declined (from £45m in 1980 to £31m · last year) domestic sales rose from £33m to £43m, pointing to what could be a revival in its home market.

The fact that this occurred against competition from the big plastics film manufacturers is at least some consolation for the rest of the wood-based packaging producers. *Statistical and Economic

Review of the Packaging Industries, July, 1982 update; by Rowena Mills; (PIRA, Rondolls Rond, Leatherhead,

the cold by the pressures of the recession and competing forms of liquid packaging. The bottle with the message is, appropriately, called the "Door Stopper." Toiletries and perfumery Chemicals and pharmaceuticals Household Against a background of Direct export steadily falling sales the glass Total

makers have been imaginatively altering the shapes, sizes, weights and appearance of their products. At the same time they bave been striving for much reductions. And they bave met the current concern over the environment by their wellpublicised Bottle Bank schemes. To put the problems of tha-British industry into perspec-

GLASS

tive it is as well to note that

even its much stronger U.S.

counterpart with its lower

energy costs, has been under pressure. A slight fall in U.S. glass sales last year was attri-buted both to the recession and to plastic bottle inroads in the important soft drinks market. Sales of glass to the U.S. food industry are also flat, reflecting the move to frozen or fresh

But the most significant shift

bottle traditional opponent; the can,
Unlike the situation in and from newer rivals such as
Britain, the U.S. glass industry, plastic bottles and laminated
the world's biggest, is almost carrons. invulnerable to a serious threat than 1 per cent of the U.S. market between 1972 and 1980.

average of 1 per cent between able to make a profit' 1981 and 1986 (at 1972 prices). There was already

the British industry is recon-Another disturbing feature was that while UK mamufacturers' domestic sales were falling net imports, which had been cut from 441m units in 1979 to 150m units in 1980, rose sharply

This has been the result, at least in part, of huge manning reductions. In the past two years UGC has cut its workforce by 60 per cent-from 10,500 to 4,000. It now runs five factories instead of eight and some of the surviving plants have been drastically slimmed down. A similar process at Rockware has brought the workforce down to 5,800. This year it closed a factory at

The overall result of the reductions, coupled with new investment, has been to cut the labour content of production costs. According to Mr McBurnie, labour costs have been cut from nearly 40 per cent to little more than 30 per cent-and in some factories even lower.

is also marketing director of Rockware Glass, UGC's principal rival, there is even a good side to the increased imports of bottled fruit and vegetables, from the Netherlands and

reactions. The glass makers seem most at ease battling their old enemy, the can makers, in the huge beer and beverage markets. Giving bottles a wide mouth, decorative plastic sleeves and less weight are all measures inspired by the war

rivals may be to join them. The three leading UK glass

varying degrees of interest in PET (polyethylene terephthalate), which has captured the market for 1 to 2-litre sizes of carbonated drink bottles. Like Metal Box, Redfearn National Glass is one of the UK's principal manufacturers of PET bottles. UGC makes PET miniature spirit bottles, and the separate plastics division of the Rockware Group is also looking at this remarkable material, despite its claim that PET cannot compete with glass



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containers made from board coated with polyethylene on both sides for the packaging of milk and fruit juices

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again last year to 226m. Total UK imports now stand at more than 10 per cent of the volume of home sales and it is common knowledge in the in-

dustry that some of the empty bottles are being brought here by UK glass manufacturers who can resell them more cheaply than bottles which they made This is in addition to the imports of food and drink pack-

aged in glass-for example, 70 per cent of wine sold in Britain in bottle production was caused is bottled abroad. There are by the loss of the large size soft also growing imports from drinks bottle market to the two- Western Europe of jars of fruit litre plastic bottle. This forced, and vegetables. the industry to concentrate on. This exacerbates the compe-producing the 10 and 16 ounce titles which the industry standard shaped single trip already faces from the biggest

In the face of this, however, from imports, which took less the industry remains bravely than I per cent of the U.S. mar-optimistic. Mr Christopher optimistic. d 1980. Squires, chairman of the Federa-important tion's marketing department.

difference, however, is that says that the bleak outlook for France. Since these compete while the U.S. Industry is the next three or four years, with canned foods, he thinks expected to grow at an annual

Meeting competition on several fronts

There was already some consolation in the fact that there may not be any further fall in volume sales in 1982 and that sales in the first half of the year had started to rise again, albeit by only half a per cent, over the corresponding period last

According to Mr Squires, who

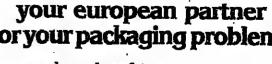
they may help to boost demand for bottled food to the eventual advantage of the UK glass industry.

The competition from rival packaging materials, mean-while, evokes different kinds of

against the can. But the threat to glass from plastic bottles and flexible cartons is more difficult to counter and, like the can makers themselves, the glass manufacturers have decided that the best way to beat these

manufacturers are all showing

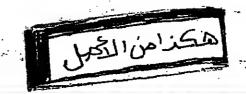




FORM-FILL-SEAL machines barrier sterilizing laminates for highy corrosive and

sachets and bags for long preservation products,

cooked food in catering



Waste recovery programmes gain momentum

FOR MANY of us it bas been the year of the Falklands, the Royal baby and the World Cup. For Britain's glass industry it is also Glass Recycling scrutinises proposed EEC legis-Year, marked by a proliferation lation. The Directive is not now of Bottle Banks and, in a few weeks, the opening of the

Reclamation of raw malerials in mentalist looby, there are profitted discarded bottles and other containers is the one issue mere recommendation. That recycled in the EEC, more which draws forth a common responsa from manufacturers of packaging.

It is partly, and some would say primarily, the response to tha allegations that packaging is often synonymous with waste

RECYCLING

and the pillage of irreplaceable natural resources, including

In many countries this concern has been expressed in attempts to legislate against tainers or other restrictions, with Friends of the Earth abour They bave had only limited its methodology and not its success in terms of changing objectives." the statute book but far more success in terms of stimulating voluntary schemes by packaging industries. In Western Europe some 56 glass recycling plants bave heen built at a cost of at least £16m.

Much of the Inspiration for the legislative moves has come into "cullet" to be fed back into from the U.S., where seven furnaces. The more cullet that State legislatures have passed "Bottle Bills" putting deposits cess, the lower the industry's on beer and soft drinks bottles need for fuel, which is mainly to ensure that they will be used more than once.

asking packaging industries to set targets for the quantity of raw material they would recycle and the number of return- By the end of the year Britain able cans and bottles that is expected to be recycling would be used.

The proposal has encountered strong resistance, bowever, from politicians in Brussels and bowever,

manufacturers ticularly dislike the idea of the as the accompanying table EEC Commission monitoring shows, Britain recycles far less their progress in complying than smaller countries such as with the legislation and com-

countries.

Similar objections voiced in Britain by the House of Lords committee which expected to come before the European Parliament before for making oew glass from old.

November 1982, and to the disamount recycled in West Garapointment of the environmany, France and Italy. means nothing will bappen," says Mr Roger Elliott, resources Earth, the leading UK antiwaste organisation.

The Friends of the Earth was no more successful in promoting a U.S.-style Bottle Bill, in Britain On November 19 1981 Containers Bill.

hacks for their critics, packag- cut (between 1980 and 1984) ing industrialists admit that in the amount of energy used ing industrialists admit that in the amount of energy used environmentalist pressures have in bottling a hectolltre of wine.

reclamation, by banning non-mental manager of United drinks containers in household returnable beverage con-Glass, puts it, "We disagree waste.

In Britain, Glass Recycling Year's high point will be on November 26, when United Glass opens its £750,000 recycling centre at Harlow, Essex. This -will bring to eight the number of plants in Britain where bottles are ground down into "cullet" to be fed back into goes into the glass-making process, the lower the industry's used in the preliminary stages

of making glass, In Western Europe environmentalists have pluned their recycled in Britain has been bopes on a draft EEC Directive growing quickly in the past few years it remains far behind the amounts recycled in other West European countries.

150,000 tonnes a year, compared with 55,000 tonnes in 1980 and 83,000 tonnes last year.

The industry hopes to reach In individual EEC member 250,000 tonnes a year by 1984, countries. container production. However, the Netherlands and Belgium and only a tiny fraction of the

GLASS RECYCLING IN EUROPE

	'000 tonne	'000 tonnes recycled	
Country	1980	1981	1981
West Germany	600	673	24
France	336	416	20
Italy	320	350	20_
Netherlands	п.а.	180	- 33
Belgium	100	100	33
Switzerland	n.a.	92	36
Britain	5 5	85	4.5
Austria	n.a.	44	20
Denmark	II,2,	20	8
reland	n.a.	6	8

recycled in the EEC, more than aome of its members' entire glass production. The consultant to the Friends of the difference reflects the much more energetic attitude towards waste reclamation by central Governments on the Continent than in Britain.

In France, where the glass industry has been able to the House of Lords, by 69 votes obtain financial incentives for 10 30, refused a second reading saving energy through return to Lord Beaumont's Beverage cycling, the Government and contains Bill ontainers Bill. the industry agreed on a pro-Despite these legislative set- gramme to achieve a 12 per cent played their part in stimulating The packaging industry was the recycling programmes. The packaging industry was also asked to achieve a cut of

> · No such arrangement exists in Britain between industry and Government.

In its campaign to increase the number of bottle banks (now about 800) United Glass says it gets the best co-operation In localities where refuse collection has been handed over to private contractors.

Many local authorities are reluctant to make even a modest investment in bottle banks and since this accords with the Government's attempts to curb their expenditure they experience little pressure from Whitehall to become involved

The success of the bottle sufficient to overshadow the recycling schemes organised by the makers of metal, paper and plastics packaging.

The recycling of cans, currently at about 70,000 tonoes a year, could increase by 50 per cent in the next two or three years with the expansion of separate schemes for timplate and aluminium collection and mechanical separation methods.

The paper packaging manufacturers, already using 88 per cent waste paper, are trying to increase reclamation. The plas-

tics industry has launched ex-perimental schemes for recyc-ling PET (polyethylene terephthalate) bottles in Bradford and

Like the well-organised glass ndustry, the individual can industry, the individual can makers have made the promotion of recycling a key activity of their newly created trade asacciation, The Can Makers. Its immediate aim ia to increase the recovary of all kinds of cans from last year's 1.7bn to 2.6bn by 1985, representing a saving of £3.5-£4m at current prices.

Gasb-a-Can, the scheme specially for aluminium cans, appeals to the public's commercial rather than its charitable instincts. Run by Alcoa, it is well on the way to providing a collecting network through-out Britain. In 1981 4m allaluminium cans were collected for which £40,000 was paid out. This year's target is 33m cans, representing 17 per cent of those available in the collecting

Since recycling of alumininm saves 95 per cent of the energy content of producing the primary metal, the manufacturer can afford to pay con-sumers 40p for every kilo of empty all-aluminium cans brought to collecting centres.

About half the drink cans in the UK now consist of aluminium and they are increasing as the proportion of tinplate cans decunes. In the U.S. and Australia 90 per cent of drink cans are of aluminium and half are recycled.

In the U.S., aluminium producers bave been paying consumers for empty caos since the 1960s. By last year 22bn cans had been recycled, equal In volume to the output of two average size smelters and earn-ing collectors \$200m.

The more traditional way of recoveriog used cans is from the waste stream. In Britain this is carried out by Materials Recovery, founded in 1975. Its biggest plant, at Stalybridge,

High imports ratio in UK market

THE BIGGEST investment a company can make in packaging is to purchase new machinery for filling, sealing and lahelling its products.

Costly marbinery is also used for case packing and cartoning and for all kiods of wrapping. In view of the many changes taking place in packaging, one would expect that this is causing a boom in demand for the machines required to make the

But so far, with many packaging changes still only at an experimental stage, the beoefit to the machinery makers has yet to be fully realised.

Broadly speaking, the in-dustry is dominated by manufacturers in the U.S., the only country which can compele internationally in most ranges of heavy packaging machinery needed by factories with large production lines.

Other countries' industries tend to specialise in particular areas of packaging. Outside the U.S., the chief suppliers are based in West Germany, Italy and Switzerland. Britain, too, has some well-respected com-panies but its industry as a whole bas suffered an bistoric .decline.

The travails of the British manufacturera are evident

MACHINERY

when one compares their performance with that of their U.S. counterparts.

This year the combined value of U.S. food processing and packaging machinery exports is expected to approach \$1\dots n, a 9.2 per cent rise over Imports to the U.S. are diminutive in comparison. They are expected to reach \$318m, a

rise of 6 per cent over last year. In Britain, on the other band, local manufacturers now bave only 60 per cent of their home market for food and drink pro-cessing machinery and 44 per cent for packaging machines. This compares with 75 per cent and 50 per cent respectively in the early 1970s. Overseas, too. the UK share of OECD exports has declined.

The most recent figures for the UK market for packaging machinery are for 1980. They showed UK manufacturers' sales of £120m, of which £69m were exports. Imports into Britain stood at £103.5m, baving nearly doubled within four years and rising much faster than exports.

The January issue of Parker. The January issue of Packag-ing Review, in its annual round-up of the UK-packaging



The first in-bouse production plant for PET bottles for cooking offa in the UK, installed at the Liverpool refinery of J. Bibby Edible Oils.

estimated that the machinery industry was in food or engineering groups.
"serious decline" in at least

Rose Forgrove, part of Bake the first half of last year but praised the bealthy 6 per cent rise in exports at a time when every major manufacturer had been scouring the world for orders.

The European competitors range; the main Swiss brand name is that of SIG, while Italy is represented by Acma

Japan is not a strong exporter but some of its packaging lines are said to be as good as those produced by the West Germans and Italians; the first Japanese machinery is understood to have recently entered Britain.

British manufacturers' loss of ground has been attributed to their fallure to keep to delivery dates and to their fallure, exacerbated by lack of Government encouragement, to match their competitors' singleminded persistence.

Nevertheless, the industry is keenly aware of its plight and for the by a National Economic benefits the a National Economic benefits and Italy. It goes in for footal project management as well as supply of machinery.

Formed in 1974 when Vickers acquired Dawson & Barfos Manufacturing, it also supplies filling lines for carbon and the supplies fillines for carbon and the suppl

efforts by a National Economic Development Council sector bidders.

Having once had a command-ing place in world markets, today's 100 or so British manufacturers now consist of a few

below, are subsidiaries of major · Rose Forgrove, part of Baker Perkins Holdings of Peter-borough, specialises in auto-matic machinery for the con-fectionery, bakery and tea industries, as well as supplying some pharmaceutical and cosmetics packaging lines. It has are led by West Germany's about 2,000 employees and Robert Bosch group, which produces the Hesse machinery non is exported.

Russia, a customer for its tea packing machines since the days of the Czar, has placed £20m of new orders in the past two years. The company also has high hopes of a sugar packing machine, developed with an Industry Department

· Vickers Dawson claims to be the world's leading supplier of bottling plant for the dairy industry; recent overseas orders have come from the Soviet Union, Uruguay, Turkey, Malta and Italy. It goes in for

bonated drinks and broweries, Development Council sector Two years ago, Vickers also working party bave resulted in acquired Inpac Automation, the securing of some home which is developing into one of the securing of some home which is developing into one of orders which might have Europe's leading makers of otherwise gone to overseas shrink-wrapping equipment and pallet stretch wrappers.

 Molins has been a world leader in cigarette rolling and packaging machines since the start of the century. In 1914 it large and many small com-panies producing a wide variety of equipment.

Most of the large ones, listed

hoasted a machine capable of automatic ing equipment.

Mark 10, cycles 8,000 a minute.

outstripping other machines which cycle 5,000-6,000.

Ahout 90 per cent of Molin's machines are exported. Of last year's total sales of £123m 39 per cent went to North and South America. It is now breaking into the market for soft cigarette packages, which are dominant overseas, in contrast 10 the rigid, hinge-lid types used in Britain. BAT Industries, with a 30 per cent stake, is Molin's biggest single corporate shareholder. Other

Group and institutions, Metal Box Engineering, a division of Europe's largest packaging company, is involved in all aspects of package making and packaging machinery, with more than 45 per cent of its sales going to markets outside

Through its subsidiary Meta-Matic, it sells specialised hand-

shares are held by the Imperial

ling equipment throughout the world, including the U.S. It has also developed computerbased systems to optimise customers' production. One is a computer-based simulation technique called PLUM (production line up-rating method), which enables the user to up-rate existing production linea nr design highly efficient new oncs. Autowrappers. a Norwich-based part of GEI International. exports more than half its annual output, with customers in Africa, Australia, the Eastern bloc, the Far East and in North and South America. It provides many kinds of wrapping machines and carton erectors. Driver Southall, part of GEC is based at Walsall and has five specialist divisions and five manufacturing plants. Together these form one of the world's higgest companies specialising in automatic weighing, filling, checkweighing and conveying equipment for the packaging

Its main product is an auger filler with microprocesse control whilch offers a high degree of accuracy and reliability and the facility to change pack weights in seconds. Other smaller UK manufacturers with an international reputation include Wright Machinery, which specialises in equipment for peeling and packing putato crisps; C. E. King, which 20 years ago developed the first electronic medical

tablet counter: Techno Pack, which makes washers for plastic hotile crates: and Weigh-Count International, a four-year-old company which now supplies automatic weighing and packaging equipment to the food and hardware industries in

Growing vogue in liquids packs

lighter, cheaper and more flexible containers. Although many incorporate some metal now approaching the first stage and paper, they provide further of commercial exposure to the evidence of the continuing consumer. It has already been penetration by plastics, especially into areas where glass is traditionally dominant.

The trend is evident in the conquest of the fruit-juice tional food can. The only metal conquest of the first-junce market by cartons made of in it is the peel-off foll lid, laminated plastic, paper and which is closed by a Metal Box laminated plastic, paper and which is closed b foll; in the growing sales of patented process. wine in bag-in-the-box; and in the capture of much of the carbonated drinks sector by PET plastic hottles.

While these new forms of packaging are mainly for liquids, flexible or aemi-rigid containers are being developed for solid foods as well. Metal retort pouches could

replace food cans if it were possible to fill them more quickly than at present and if public tastes changed in their favour. Originally introduced for the American Army, the pouches are widely used in Japan, which lacks a strong can-making industry. But in Britain, where marketed them a few years ago, they failed to catch on—to the disappointment of can-makers worried by steadily falling sales. of canned foods.

Nevertheless, Metal Box, Britain's higgest packaging company, remains interested in them and does not rule out the possibility of an eventual breakthrough. Retort pouches have caught the interest of the from Ex-Cell-O Corporation of Defence Ministry for use in submarines, in whose narrow con- a Bowater subsidiary under fines they are easier to stow than bulky cans. Interest may be further stimulated by their use by ground troops in the recent Falklands operation.

In the immediate future, though, more interest focuses on prospects for replacing the food can by a plastic container with a metal top. In the past seven years Metal

Box has spent roughly film being developed has gained its a multi-layered own momentum. developing

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ONE OF the most striking material called Lamipack, with trends in packaging is towards barrier properties comparable to those of tinplate. It can be formed into any shape and is consumer. It has already been proved to have a shelf life of well over a year and may even pass the two-year test which Metal Box expects of a conven-

> The only reason why It has not already been offered to the British housewife appears to be reluctance of British retailers to be first in the field

FLEXIBLE . CONTAINERS

with such a new concept. For unlike many packaging innovations which first gained currency in the U.S. or elsewhere, Lamipack is a British development.

Many of the current changes in Britain towards more flexible containers originate from overseas. This is reflected in the success of milk and fruit juice cartons with registered trade marks, like Tetra Brik, Pure Pack and Combibloc.

The first is the product of Sweden's Tetra Pak company; the second is made under licence the U.S.; the third is made by licence from Jagenberg-PKL, part of Rheinmetall of West Germany. While Tetra Pak

makes its own laminate at 20

factories throughout the world.

the Pure Pak material is made by independent licenseea. Though liquid packaging in-corporates ideas which have een around for many years, the speed with which it is now

black-current drink down market" by selling it liluted in small Tetra Brik packs. All three leading brands of cartons are also benefiting from the growing sale of milk through supermarkets, which prefer them to returnable glass

> This is helatedly prompting the British packaging industry to enter the same field. Metal Box, which already bas its own method of handling long-life cream, is developing its own system for packing milk. Ironically, it once had a 50 per cent stake in Liquid Packaging, the UK licensee for the Pure Pak way. carton. Liquid Packaging now Sto belonga to the Norwegian Elopak company, which has the licence to manufacture Pure Pak in Scandinavia, Western Europe and much of Africa and the Middle East.

Mardon Packaging Inter-national, Britain's second biggest packaging company, bas also been impressed by the suc-cess of Tetra Pak and is understood to have bought the UK licence for a Japanese liquid packaging system.

Theae developments can only sharpen the fierce rivalry be-tween Tetra Pak and the agents for Pure Pak. Globally the two systems are well-matched— 35bn Pure Pak cartons were sold last year, compared with about 31bn of Tetra Pak's more varied range-although Tetra Pak sells three times as many cartons outside the U.S.

Their competition may soon become more intense in the U.S., bowever, where Tetra Pak is now building its first aseptic laminate making factory. Until now, it has imported the reels of laminales. At present Pure Pak baa between 60 and 70 per cent of the U.S. market for milk packaging. But it now also faces sharp competition from plastic bottles.

The rivalry between Tetra Pak and the Pure Pak licensees also extends to the products they package. While the latter have a vested interest in boosting fresh milk sales, Tetra Pak's aseptic filling techniques and aseptic packaging material give it a staka in "long life" milk.

A bewildering variety of other foods goes into its containers - rice wine, Japanese cooking oil and custards are among an ever-growing list of in the first PET bottle plant for products, which includes some cooking oils in the UK. It will newcomers soon to appear in Britain. Tetra Pak has also entered the wine marker, not only with its familiar Tetra Brik carton but with its oddly shaped

A startling example in Britain
was the recent decision of polystyrene, this container looks
Beecham Foods to take its like a D-shaped can. In Britain it is used by Marks and Spencer for flavoured milk sbakes. Far more impact is being

made on the wine trade by the even more bizarre bag-in-the-box—consisting of a plastic sack inside a corrugated case. The wine is drawn by a tap from the bag, which contracts as it is emptied, thus remaining alrtight.

Already well-established in Australia and South Africa, these containers entered the British market for table wine 18 months ago and there are now nearly 30 different labels of wine marketed bere in this

Stowells of Chelsea, the White bread subsidiary which was first on the scene with bag-in-the-box, calls it "a packaging miracle." The company originally aimed to aell 180,000 boxes in the first vear but finally disposed of 2m, It eatimates that as many again have been sold by other com-

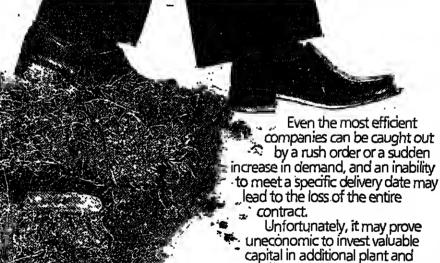
The special wine bags are supplied by four companies. Those used by Stowells of Chelsea are provided by TPT of Stockport, the agent for ACI Liquitainera, which claims 60 per cent of the Australian

Corrugated Products, another supplier, aims to win 50 per cent of the retail markat for bag-in-the-box wine this year and is also trying to sell the container to the whisky in-

Bowater Liquid Packaging which has a licence from the Scholle Corporation of the U.S., claims that 157m litres of wine will be sold in hag-in-the-box 1982. It also offers bag-inthe-box as a container for chemicals and other non-edible goods.

PET, regarded in the plastics industry as a packaging material, will also compete with glass and metal on a wider front than hitherto. Significantly, some of the main PET bottle blowers are subsidiaries of the can-making and the glass industries. Another is owned by Mardon Packaging International, the UK leader in flexible packaging.

PET also competes with other plastics. J. Bibby Edlble Oils, one of Britaln's leading suppliers of private label cnoking oil, has invested more than £1m run alongside the existing PVC facility at Liverpool, PET, says Bibby, will offer better security, longer shelf-life and greater



staff in order to deal with these occasional shortfalls in capacity. The problem, therefore, is how to meet increases in demand without costly investment. The cost-effective answer is the Remploy Packaging and Assembly Group. We can help you avoid fixed costs We can help you to avoid the costs

involved in installing extra capacity yourself because we have the experience, the machinery and the staff to cope with all your extra production. So rather than burdening yourself with fixed costs, Remploy P & A can offer you the variable cost solution. A full range of packing, sub-assembly and

packing services With 27 factories nationwide, we offer both a local service and, for larger contracts, the ability to call on the

Remploy Packaging and Assembly Group is one of the country's largest sub-assembly companies, putting together a vast array of mechanical and electrical goods and components from steering columns and cable harnesses to white goods and orcuit boards.

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Wednesday August 25 1982

UK depression confirmed

THE APOLOGIES offered in advance by Mr Normao Tebbit. the Employment Secretary, can do nothing to reduce the signifi-cance of the appalling UK un-employment figures published yesterday; nor are they much affected by the statistical afterthoughts of his officials.
It appears that the treed did

worseo dramatically last month, as the figures suggest—but that is only because the apparently encouraging Juty figures prove to have been an

The fact is that unemployment is still rising by almost half a million a year, and nothing but wishful thinking can find the faintest suggestion. of the plaleau Mr Tebbitt thinks we may be approaching. On the contrary, the upward climb seems to be getting rather. steeper. The trend is precisely what might have been expected in light of the recent warnings the Confederation of British Industry, whose feel for the economy has consistently proved to be seositive and

Consistent

The more hotheaded Government supporters whn accused the CBI of political betrayal simply for telling the truth should be ashamed of them-

It would be remarkable, indeed, if the news were not bad, for everything we know about tional, trade and the demand for credit — is consistent with a deeply depressed economy caught in a world recession.

Yesterday's trade figures give, the world background, UK exports are declining in volume, as must be expected in a very soft market. Imports are rising at perbaps 6 per cent annitally —the trend is bard to disentangle from the changes due to the inventory cycle. This confirms long-established trends; the internationally competitive companies which dominate the export trade are more or less bolding their own, but those which have looked mainly to the

It is to be hoped that Ministers will not respond to these figures with yet annther dose of hope deferred. The constant forecasts of recovery. constantly disappointed, are ar unnecessary burden on the Government's credibility. In this respect the rather openminded tone of Mr Leun

Brittan's remarks on help with industrial costs on Monday are a welcome change. What Ministers can claim is

that the financial background is at last looking a lillle lighter. The fall in interest rates is wel resultant realignment of foreign exchange rates: a weaker dollar and stronger European correncies improved our position against our keenest competitors without raising costs too much The modest move by the Bank of England yesterday to get rales moving down again, after a weck's pouse to draw breath,

However, the idea that falling interest rates can of themselves launch an economic revival is untested Rates are falling because the world economy is so depressed, and specifically hecause some of the most influential men in the market have decided that a revival is

unlikely in the near term.
It is not on the face of it logical in treat a symptom of despair as the dawn of hope, better that the markels should reflect realities, even grim ones,

Implication

The one favourable implication of the economic news is that inflation may, in these circumstances, fall even faster than the optimists now hope. But that is all the more reason why Ministers should he spend-ing the coming weeks reflection their fundamental policies.

Their financial strategy has heen presented until now as a battle plan against Inflation, but in fact it is a plan for the steady, controlled growth of money incomes, and can logically imply a need home market are losing ground stimulate that growth as to

Italy: unsteady as she goes

ITALYS puliticians have once new Spadolin! Cahinet will have two weeks ago, events seemed previous government insisted destined to culminate in the hig bang of autumn general elections; in the event they have unlons iess inclined to moderent of a completely unchanged this has bappened in the 42 months ago. government crises which have dotted Italy's post-war history.

vocabulary has gained a new phrase: "novelty in continuity." modifications have been made, former last June 1. either in the subtle balance of factions in the five-party coali- Reform tion, or in the men in charge of the ministries.

Indeed, at first glance it is the continuity which strikes the eye, in itself a tribute to the remarkable powers of concili-ation of Sig Giovanni Spadolini. the Prime Minister. More than ever, he stands clearly as the only possible point of com-promise between the Christian Democrats and Socialists, whose uneasy, often quarrelsome, relationa provide the maio memory of Sig Spadolini's previons 13-month long govern-

Resolve

partles to put off so electoral fied if the new government can summon up enough resolve to tackle economic problems which the hiatus of the crisis has done nothing to diminish. The previous administration, in almost its last act, approved a sweeping package of measures that would in theory bring liply's runaway public finances under control. A new and siroilar package is now being proposed. which will have to be approved by Parliament. If nothing is done, the PSBR will reach 14 per cent of gross domestic product this year, and If alarmist estimales are to be believed. 20 per cent next. When one considers that the proportion ranges from 1 to 5 per cent in most other industrial economies, the urgency of the moment is plain. But the ques-tion remains whether the new tion remains whether the new mission does prove the first government, even more aware step along the road towards of impending general elections providing flaly with a system than its predecessor, is any of government which its better equipped to take neces- economic advancement merits,

will win few votes. other matters with which the waste of time.

again hewildered the world, to deal, above all the need to following the country's first contain labour costs. Inflating is ever government crisis in the moving ominously back towards holiday month of August. Just the 16 per cent level which the of a completely unchanged ontstanding for 10m workers, administration—the first time which should have been settled

Overshadowing even this is the importance of a measured. To mark the occasion. Rome's authoritative government to act. already richly baroque political as it probably will have to as. midwife for a new uoderstand-ing on wage indexation between The outsider observer might employers and unions. This will cynically comment that the only replace the old Scola Mobile novelty is that absolutely no mechanism: revoked by the

So much for the continuity. But what of the povelty? The ooe interesting innovation of the new government's pro-gramme, which it will present n eximooday to parliament for the traditional vote of confidence, involves institutional reform. Italy's 1948 constitution of America technology.

But now the story may has served it well, by providing But now the story may be an unimpeachably democratic drawing to a close. The word framework within which the in New York is that Paley now country's contradictions (be over 80, is to become a partner gap between rich North and Resolve

Resolve

But the decision of the strengthen the hand of the manufacture and that poor South) can coexist. But he may step down from the CES few deny any longer that chair in the next few months.

Paley knew what the public wanted — all the way from executive part of government, confrontation, perhaps until and streamline the workings of next spring, will only be justi- parliament. There are times when checks and balances can become too much of a good thing,

Slg Spadolini, whose every instinct is to bring Italy even more closely into the Western European political mainstream, is committed to setting up an all-party commission from both houses of parliament to examine ways of updating the constitution. It may well be that even this innovation proves to be little more than a fig leaf to justify the return of the fractious socialists to the

government Certainly, if elections do come next spring, as so many commentators are forecasting in Rome it will have kittle chance of achieving much in the meantime. But if the comsarily unpopular decisions, that then this first August crisis. vill win few votes.

Causing inconvenience for so
Much the same goes for the many, will not bave proved a N A modern, sustere office block on the banks of the muddy River Irwell in Man-

chester, executives of Turner &

Newall readily admit they have

had one bell of a summer In addition to familiar recessionary troubles, T & N faces a renewed controversy over safety standards in the use of asbestos; a subsiding share price which has reduced its market capitalisation to less than a fifth of its net worth; and the unpleasant prospect of annouocing losses when it reports interim figures next week.

Today'a problems, however, did not grow out of the recent letevision focus on asbestos (see panel). For 20 years, T & N. still the largest manufacturer and exporter of asbestos-based products in Britain with a turnover of £623m last year, has been trying to dilute its dependence on the mineral. Now, the management recognises that, for the most part, these efforts failed. It is a story from which any company can learn; and the lessons have precious little to do with asbestos. Founded to 1920, Turner &

Newall began to fatten hand-somely in the 1950s. The post-war building boom saw T & N sbestos-reinforced coment and insulation materials going into ships, huildings; pipes, and roofs for schools, hospitals and blocks around the country. Ferodo, its subsidiary makes asbestos-based hrake-linings, prospered with the growing motor industry and expanded headlong overseas.

The company's return on capital emptoyed surged shead standing nearly 10 points higher thao the average for UR industry, and topping 25 per ceot for most of the 1950s. With operations in India, Africa, Canada and the U.S., T & N had emerged as one of the world's largest completely integrated sbestos companies, with cootrol of the product from the mines in Rhodesia and Canada through to the customer's ware-

So when the company decided to diversify, the executives who had grown up during this era, perhaps understandably, approached the move somewhat in the way that a pampered mistress might spend freely on her first trip to Paris. .

British Industrial Plastics was purchased in 1961 for a cash and hare deal worth about £18m. This price, compared to BIP's pre-tax profits of about flm in the year before acquisitions looks extravagant, even by today's terms. "One felt plastics was a modern industry," says Mr Wilfred Howard the T&N group public relations officer, who has been with the company

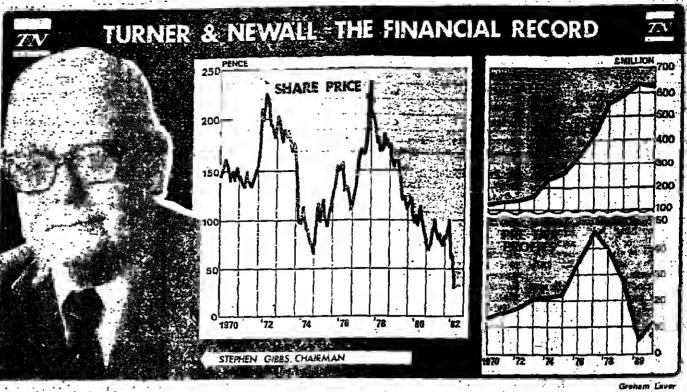
If T'&N was hoping for a quick payoff from BIP, it was oon disappointed. The following statements are extracted from T & N reports and accounts: 60-61: "Turnover at BIP was

maintained although profits were somewhat lower ... "
61-62: "This result (at BIP) was achieved . . . only by some sacrifices in profit margins . . . 65-66: "Pressure on (BIP's)

TURNER AND NEWALL

'We thought we were fireproof'

By Carla Rapoport



profit "Profits (at BIP) were

maintained." If there is a single explanation for this indifferent record, its name might be Mr Ian Smith. the breakaway Prime Minister on the asheslos quarket. what was then Rhodesia. Efforts that might have gone into BIP was instead diverted by the Rhodesian crisis of the mid-60s. Britain's response to Mr Smith's Unilateral Declaration of independence : blocked the company from its finest source of abestos fibre and, at a stroke, reduced attributable profits by £2m to £7.3m io 1966. Even so; T & N did not pass this misfortune on to its shareholders by entling its dividend. With hindsight, this omission may have heen a costly mistake Management time was further squeezed during these years as T & N pushed through from 1962 to 1968 without a finance

established habits, even when margins. remained apparently could not be found. It took T and N seven years, until 1972, to push profils past the level they reached before UDI. This lacklustre performance was highlighted by a 1973 Monopolies Commission Report concluded that T and N's dominant position in the UK market place had slowly eroded. T and N no longer enjoyed

this dominance because it had been unable "to defend its share of the market on the merits of its quality, service and (Then, as now, T and N's UK

rivals were Cape Industries and the BBA Group. Internationally, Manville Corp. and Raybestos-Manhattan in the U.S., and the Swiss/Belgian Eternit group.) Citing specific cases, the Minnopolics Commission report staled: management (upril receotly) has been unwilling to contemplate changes in long-

changing circumstances had clearly made them obsolete." By the end of the 60s, the report showed, return on capital employed in the company's ashestos business had declined from 17 to 13 per cent. "Wa didn't protect our position as a Inw-cost producer," says Mr Martin Bell, Finance Director since 1976. "We thought we were fire-proof."

The head of T & N during

those years was Sir Ralph Bateman, son of the company's inctor and a family friend of Turner family who became chalrman after 36 years of climbing through the ranks. Employees didn't argue often with Sir Ralph; be bad a very clear idea of how things should be done. Under bis administralion, the company's plastics activities were expanded and T & N's overseas interests

There was a marked change

made under the Griffith reign was Hunt Chemical in the U.S. (with a 265m turnover in 1981). This investment has proved sound indeed it is the only jewel left in the T & N crown It now seems clear that T & N

should have sought out other niche businesses like Hunt-which makes speciality chemi-cals—rather than move into broader businesses, like PVC, where it met up with such giants as ICL Hoechst and the

The recession further weak ened the rest of the company's activities, so the re-consolida tion of the Rhodesian assets two years ago proved a welcome boost to the accounts. But it is a mixed blessing, considering the state of African affairs. Last year. African activities provided 22 per cent of the com-pany's sales and 78 per cent of

its profits. Faced with these grave prob-lems, T & N has been hammering away at costs and selling off assets. In the past 18 months, some 35 per cent of its workforce, or about 7,000 workers, have lost their jobs. In 1980 alone, some £40m was raised through various disposals (another sale is likely to be announced in a few weeks' time) So what is the company left with? Mature businesses with not much cash-generative power

looks to be the answer. have made a number of mistakes along the way, including misreading the economy," says Mr Bell. "But more imwe neglected portently. modernise the asbestos using factories. It was always going to be brighter on the other side. So the cash cows, like TAC (Turner Asbestos Cement) were starved of new capital. We should have realised that you can wring out more from the

old by putting in fresh funds." Mr Bell, along with others in the T & N corporate headquarters, inspires an unusual amount of respect from the many jaded T & N observers in the City. He believes that there are gains still to be wring from the old businesses. "We've' found it much barder to make panies than in our asbestos

An overhanging worry, however, is the prospect of shrink-ing demand for asbestos-based

from asbestos-based products, he needs to be. "We have to do something to restore confi dence in ashestos," he says. Mr Gibbs, 62, intends to stay with the company until it shows signs of turning up. A large, florid-faced man with a bouncy manner. Mr Glbbs says "There is no reason to believe we'll be tripped up during our recovery

THE GREAT ASBESTOS CONTROVERSY

THE . RECENT outcry over ashestos-related disease is the latest in a series of controversles . over . the . mineral which has been linked to lung disease (asbestosis) and a fatal cancer (mesothelioma) for more than 50 years. cigarette manofac-

director; a : suitable candidate

turers, nuclear energy com-panies and those in the chemical business—among others - asbestos companies have been subject to increasingly strict government regu-

A recent trip to Turner and Newall's Rochdale plant. where thousands of tons of asbestos are processed each year, showed how carefully the company controls dust with medern equipment and extensive monitoring devices. Regular health check-ups at the factory are mandatory for all employees—this reporter which are osed to screen out the potential for, or incidence of, lung damage.

Turoer, and Newall vigorously denies the allegations about safety standards in the nse of asbestos which were made In the recent Yorkshire Television programme on the subject. The company is now considering taking legal action against the television Supporters and opponents

of ashestos agree that any further inquiry into the ose of the mineral is best referred to the Health and Safety Executive. In the meantime, Mr Glhbs, the chairman, says his "top priority" is to restore the public's confidence in asbestos which he says has been destroyed by

the programme. T & N will continue to face for many years claims from victims—both in the UK and

In the U.S. who have been exposed to asbestos. The disease can lie dormant for as long as 40 years. In the U.S. victims are entitled to sue the supplier of the materials; in all cases so far T & N has shared this liability with several abestos companies.

T & N makes yearly provislons for these claims and. even in its reduced circum stances, says it is capable of meeting its obligations withpany forecasts that claims should he no more than 1 per cent of future turnover.

awareness of asbestos-related disease now heightened, it is possible that the rate of these claims will increase. In the U.S. for example, claims against asbestes companies have snowballed into a miniindustry, with its own newspaper, the Asbestos Litigation Perhaps more significantly.

af the corporate level in 1976

when Mr Patrick Griffith was appointed chairman. A veteran

of the automotive business, who

had even tested racing cars, he had many friends buth in and outside the company. Mr Grif-

fith pumped fresh life into the

company's acquisition plans. Some £40m was splashed out

for Storeys, a leading producer

coated materials, a seemingly perfect fit for T & N as it woold

consume the parent's growing output of PVC....

But by 1979 the fit no longer

eemed so perfect. Storey's mar-

kets dropped away with the

slump in consumer spending

and T & N was left with ex-

cess quantities of PVC which it

had to sell in an overloaded

marketplace. At the same time.

tragically, Mr Griffith was

atricken with cancer and died a few months after his resigna-

The other major acquisition

tion in the autumn of 1979.

plastic sheetings and plastic

Manville Corp.; the largest U.S. producer of asbestos, recently omitted its quarterly dividend and announced it would have to begin making financial provision for litiga-tinn which, it said, could go on for several years. Manville's move came only

a few days after UNR Indos-tries, a much smaller Chicagoibsul, i ruptcy because of the claims against it from asbestosrelated disease. The legacy of the disease is unlikely to have such a dramatic effect on Turner and Newall, but the company's present weakness and the unquantifiable nature of future claims make the job ahead for T & N executives just that much more demand-

products because of fresh concern over health risks, "We continue to spend a lot of money to find replacements for asbestos." says Mr Stephen Gibbs, the chairman since 1979, but be remains confident of the minerals longer-term Importance With some 50 per cent of the company's turnover coming

Nearby, Mr Bell wipes his hand over his beards and gives

Men & Matters

history of broadcasting, and his iofluence both on the media and time it's for real." American culture is immeasur-

David Halberstam in bis book 'The Powers That Be," describes bim as one of the staggering success stories of the century, combining the prime energies of American huckstering with the explosive potential

they the largest Communist in a privately-held business that party in the West, or the huge lowns one third of the Internaowns one third of the Interna-tional Herald Tribune and that

wanted — all the way from lack Benny to Mission Impossible - and he gave it to them, as they say, in spades, keeping CBS top of the TV ratings for 20 consecutive years. He also moved broadcasting into the field of public affairs, and through the voice of Ed Murrow CBS played a major part in bringing World War II home to the American public.

His first exposure to broadcasting came in 1925, when his family cigar business aponsored the Miss La Palina Hour on a local radio station, Fifty dollars a week brought him the lady in question plus a 10-piece orchestra. Three years later he invested to CBS, which was then a struggling radio network, and

rod ever since. A stream of beirs-apparent has come and gone in the past 15 years, and his toughness is numbers applying for accredimented to navelst. Traman, feet wet. A press centre at Capote on bow well Paley Southsea castle on the nearby looked. "Yes," Capote agreed, shore will monitor the operajust swallowed an entire human vision.

are famous last words, but this io 1545 to fight the French.

Thomas Wyman, who has been in that role for around two years despite numerous rumours of imminent dismissal. He appears to be a natural survivor, having worked in the past under two other formidable entrepreneurs: Edwin Land at Polaroid, and William Spoor at Pillsbury.

Overdue ·

What started 17 years ago with the discovery of a 400-year-old wreck off the south coast of England is now destined culminate on September 28 in a national occasion - the raising of the Tudor warship Mary

For many years after the find amsteur divers ferreted round the wreck in the Solent. Meanwhite, the indefatigable archaeologist Margaret Rule tried, usually in vain, to get financial support to bring the battlewagon to the surface.

Then Royalty became in-terested, hig business led by British Petroleum shipped in. and the £4m project to display the ship in her home port of Portsmonth suddenly became a reality.

If the weather is kind the wreck - actually the starboard half of the ship - will be brought to the surface from six fathoms down. Prince Charles, who has dived on to Mary Rose be bas ruled it with an iron nine times, will be watching rod ever since.

The world's press will be there in force judging by the legendary. Someone once com- tatioo. They need not get their "he looks like a man who has tion on closed circuit tele-

But CBS has lost its powerful still £400,000 short of its target

Off the air creasingly restless about its object because they have an leadership. Recently Paley told unosual scoop. The ship has william Paley's career at CBS. Fortune: "I have a successor in not been sighted since she place. Someone might say these sailed on her maideo voyage

A poignant postscript is that His apparent successor is the international press centre for the great day will be on which the very spot from which Henry VIII watched as his favourite ship suddenly heeled (perhaps because it was overloaded with armoured soldiers) and sank. Only the masts Nottingham knitwear company. remained above water.

> The king may then have contemplated the futility of his policy of warring with Con-tinental Europe.

Out of view

When the news gets really depressing, there is always a temptation not to pass it on. But I am assured that is not the reason why the National Institute of Economic and Social Research's quarterly review will appear today without its usual forecast for the UK economy. The Institute has been con-

sistently gloomy about the prospects for recovery and unemployment and has strennously urged more reflationary policies. This time, however, the review will be devoted almost entirely to an evaluation of Britain's productivity record in an international context.

Editor David Savage fells me that preparation of the normal forecast occupies about 10 members of the staff for around six group is strongly entrenched. weeks and he had been considering for some time whether to divert these resources to other topics for the August noted designers will have exclusioned: "It's something of an sive rights in Britain for a year. experiment," he says.

Saving money was apparently not an important motive. But the Institute may, nevertheless, be making a point to the Treasury in view of the substantial cut in official support which it has suffered in recent

I wonder, too, whether a momentum in the past decade the newshounds are each being study of British productivity and Wall Street has become ining then a forecast of the UK'a future output. We'll see.

Cover point

See what can happen if you take Ford Beckman, a 29-year-old de signer from Tulsa, Oklahoma liked it so much that I sorta thought I would design some thing out of it."

And now Cax Moore, the and Austin Reed have joined in a promotion of his classicallystyled sweaters that should increase British exports to the

Beckman, who looks as though he has eaten just slightly too much ice-cream, believes that the new range will push the popular preppy-look "out of the classroom into the upper class"
—a move that the film Chariots of Fire already appears to be encouraging.

The sweaters may owe their design to the cricket field. But Beckman's choice of colourspeach, pink, lavender, purple, turquoise, yellow and greenare likely to turn any member of the Long Room puce if worn We are working with Ford

in colours they will appreciate." says Cox Moore's merchandise director Cowan Jamieson. The range will be sold directly to America where the But Austin Reed, which has a long history of launching mens-

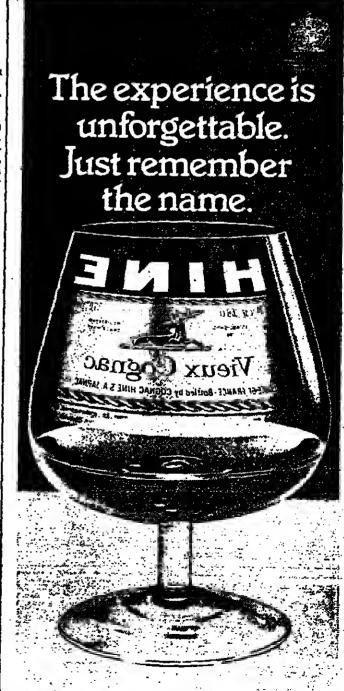
wear collections in the UK by

tn give the Americans British

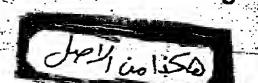
quality plus a look they will buy

noted designers, will have exclu-Managing director Peter Reed says the range will be intro-duced carefully, first in London, Edinburgh and perhaps Leeds. There are some places in Bri tain, he admits, that might find the Beckman colours a little too adventurous and he was not thinking just of Lord's.

Observer



Hine.The connoisseurs cognac



BUSINESS AND BIOTECHNOLOGY

All that glisters is not gold

By David Fishlock, Science Editor

A HEADLINE that seems certain to infuriate many research workers in the hiological sciences appears in a recent issue of one of the world's leadscientific "Nuture's guide to hio-riches" it says definitively.

The headline heralds the first monthly listing of the U.S. share performance of 15 "representative hiotechnology companies, compiled with the help of E. F. Hutton and Coopany in New York. Using this list the magazine has calculated "hlotechnology index" which. in contrast to the gloomy view now being taken of biotechnology hy much of the media, rose 2.7 points during July.

The 15 are an international mixture of established hiotechnology companies, such as Novo Industri (Denmark) and A.B. Fortia (Sweden) and some of the better-known new ventures set up in the last few years specifically to exploit genetic en-gineering, the new techniques for modifying microbes.

These new ventures, particu-larly, have annoyed many scientists in university and other established centres of medical science, because of the intense effort they have made to woo bright young talent away and build up their research teams. As some scientists see it, PhDs are being seduced from the paths of "pure" science by large salaries and slices of equity in the new ventures. They fear the consequences of this unseemly rush to find "bio-

riches" for the future of the

science itself. Some big comoanies -Hoechst, of West Germany for companies Hoerhst, of West Germany for dustries such as wina and example—have began funding cheese. The agro-husiness is major new research programmes in acknowledged centres of academic excellence. Four big non-competing UK companies-John Brown, Dalgety-Spillers, Gallaher and Whitbread-are doing the same kind of thing major French companies already with the Leicester Biocentre in biotechnology, such as month, But such deals still give the sponsors right of refusal to patent new ideas and inventions—and this has caused some resentment taking a 20-year view — or tha among some academics who high cost of establishing the want the work to be freely new technology.

In Britain, the notoriously uncommercial Medical Research Council (MRC) caused resentment when it made an agreement in 1980 with a new statebacked biotechnology venture camps still seem unreconciled. Unstructured industry—a little called Celltech, giving this company an option on its new discoveries. Celltech was suffi
One camp is composed of ven
executive with a big U.S. health-

TECHNOLOGY Socal pulls Celltech: gene machine the rennin genes How Celltech clone out of venture with Cetus Biotechnology finance fades Call for biotechnology aid New backing for bioengineering

ciently attractive to the private investor to obtain more than half its launch capital in the

Biotechnology Investments has invested only a "relatively small fraction" of the \$46m subscribed to its fund lest year. business manager and a scientific adviser from the bank visit every venture before any investment is made. "We are still completely confident that this is a winer." Lord Rothschild says. But investments so far are in the U.S. and Switzerland; they include no venture in Britaio, West Germany or France.

In France, the Mitterrand Government has few doubts that biotechnology will eventu-ally be a winner. It fears the devastating competition success overseas could inflict upon some of its traditional bio-based in-France's second-biggest dustry.

ing the minister, involves 15 Rhone-Poulenc, Merieux, Liquide and Pernod Ricard. Dr Douzou has no Illusions about either the timescale — he is taking a 20-year view — or tha

In France, according to Dr Douzou, academic scientists and industry are now gager to cooperate in developing biotech-nology. In Britain, the two camps still seem unreconciled.

LEADING BIOTECH STOCKS

A.B. Fortia (Sweden) Bio-Response (U.S. Cetus (U.S.) Collaborative Reserach (U.S.) Collagen (U.S.) Damon (U.S.) Enzo-Biochem (U.S.)
Flow General (U.S.)
Genentech (U.S.)
Hybritech (U.S.) Molecular Genetics (U.S.) Nova Industri A/S 34.0 (Denmark) Ionoclonal Antibodies (U.S.) 19

Genetic Systems (U.S.) Bio Logicals (Canada)

tures guided by distinguished scientists who have no illusions how difficult and long-range are the targets they are tackling. The French plan, drawn up The other (much larger) group by a team led by Dr Pierre consists of more opportunist Douzou, a microbiologist advis-ventures.

In the first group are such companies as Genentech, one of the Californian pioneers of the biotechnology boom, some of whose scientific papers are regarded as outstanding. Another is Biogen, in Geneva, managed by the Nobel prizewinning American, Walter Gilbert, and counselled by a galaxy of scientific stars. Celliech has modelled itself on this kind of company, with a panel of illustrious scientific advisers.

"It's a fast-growing and very

care group who last year hecame chief executive of the Genetics Institute, a new Boston-based engineering company. just 50 strong. This company was started in 1981 by two Harvard University professors of international renown, has attracted over \$10m from two

Swiss pharmaceutical group, and Jacobs Engineering Group of the U.S., which makes fermentation plant—and from a number of individual venture

exist to tackle some genuinely tough targets of medical science, such as making by genetic engineering the protein that causes blood to clot (to treat haemophilia) or the newly discovered hormones that regumechanism. Scientists recognlse these as targets of a com-

Britain's politicians stepped drugs. Into this uneasy state of affairs, where science and commerce are still getting to know one another, last month with a report that few are likely to see as very beloful. The biotechno-logy report from the Education, Science and Arts select committee of the House of Commons showed little understanding of, or sympathy for, the commercial case.

The MPs were keen to lay blame for any shortcomings in the way of Britain is handling the biotechnology boom at the door of the National Research Development Corporation, now the new-ventures arm of the British Technology Group (BTG), the Department of In-British dustry's own investment vehicle.

seems to believe that to pay Londoners more than people

living in the provinces serves

merely to encourage their in-efficiency, it might be observed

that the very size of the metro-

polis leads its inhabitants to

suffer a level of inconvenience

which has simply no equivalent

This involves not merely the

considerable cost of public

transport withio London, but

also such things as the time

involved in getting to a place

of work, the cost of transport

ing food, the increased cost of

probably most important, the

very much greater cost of buy

ing a bouse in which to live. It

have always believed many

major employers pay a London

benefits of subsidising the travel of thousands of public

servants (a category of inhabi

tant of which Scunthorpe with

a large nationalised industry in

its environs has probably more

than its fair share) it must be

added that very many efficient

and private concerns also func non wholly or partly within London and were these to suffer

on account of the capital being

rendered a more unpleasant place in which to live the detri-

mentat effects would in many

cases be felt across the country.

A Londoner travelling to work

will continue to travel and it is thus surely a reasonable invest-

ment to ensure that the nation's

capital city possesses a trans-

arrive at work with as great a

ensuring London is served by a

cheap and efficient transport

system is that visitors may

enjoy its amenities and having

done so demonstrate a greater

willingness to return. This facility therefore indirectly

benefits all of us for by contrast

with the Londoner a visitor

from overseas whose journey is

made less pleasant will no

longer come to Britain at all.

He will not be persuaded to

take an alternative holiday in

Mr Sergeant paints a rosy

picture of life in London. In

comparison with Scunthorpe

(where I was born) it should

remind him that it is dirty, smelly, humid-and expensive

Of these, Londoners seek small

subsidies to relieve only the

One other advantage of

Quite apart from the dubious

weighting allowance.

is to offset all of these that

types of insurance and

in small provincial towns.

BTG's monopoly rights over re-search funded by the research councils, and an end to any restrictions on scientists taking their research "to the open

The MPs also want the relationship between the MRC and Celitech-in which the BTG bas a stake - reviewed urgently " particularly as far as exclusivity in access to MRC-funded research is concerned," before BTG attempts to set up a "country cousin" of Celltech to exploit the research of the Agricultural Research Council

Mr Gerald Fairtlough, chief executive of Celltech and the ndustrialist who masterminded an entent cordiale between the MRC (at least, at top-level) and commerce, says diplomatically that it must be a good thing to have MPs taking such interest in biotechnology. But he makes it plain that be believes they have got it all wrong.

In a letter to Nature he points out that "the cost of develop-ing a discovery and bringing it to the market often makes a degree of monopoly essential if it is to be worthwhile for anyone to take on the development risk."

Celltech and the MRC have apitalists.

But primarily it claims to years. Celltech was founded to exploit, first and foremost, medical a brilliant MRC invention which is virtually certain to earn a Nobel Prize for one or more scientists at the Laboratory of Molecular Biology in Cam-bridge. This is the discovery hody's immune of the hybridoma or cell fusion technique for making monocional (extremely pure) antiplexity "that few if any will bodies, with Immense potential succeed." Mr Schmergel says, as new analytical reagents and bodies, with Immense potential

> With hindsight, one can certainly say that if the right steps had been taken it could cer-tainly have been possible to patent the process," Mr Fairtlough believes. In the event, no one can get a patent because no one made an application before the details were pub-lished by the researchers. "Somewhere, something went wrong," he says.

Celltech, to judge from the academic evidence given to the Select Committee, has not yet won the confidence of the British scientific community as whole. It will be still harder for newer ventures—and not only in Britain.

BTG), the Department of In-ustry's own investment vehicle. They call for an end to the

West Germany today

The myths don't tell the whole story

By Jonathan Carr in Bonn

IT IS hard to know which are the old myth has begun to be the more pernicious—the myths replaced by another, close to foreigners believe about the Germans or the ones the Germans believe about themselves. If the debacle of AEG-Telefunken helps in the long run to clear the air of both, it will

not have been wholly in vain. Until fairly recently West Germany was widely seen as the lead of the Wirtschaftswunder-as the creator and sustainer of an " ecocomic miracle," no less. According to this view the labour force worked amazingly hard, the trade unions were paragons of responsibility, the banks put up capital for industry and sat on lots of supervisory boards to make sure managers did nothing the supremacy of the German system was the big and continuing trade surplus and the ever strengthening D-Mark. Little wonder that much of the rest of the world was envious and a bit uneasy. The miracle workers were admired but not

That this vision was, at least in part, fantasy I had the chance to discover during temporary work as a student two decades ago on the production line of a German chemical factory. On the first day I was told to slow down because my excessive pace was upsetting the normal work rhythm, Astonisbed, I happily complled. This was not what one had been told to expect from Germans, of all people,

What a relief! Mind you we worked steadily, we were never forced to stop because supplies from elsewhere dld not arrive on time, and as far as I can recall no one mentioned a strike. It was clear to everyone, all the same, that if there had to be a strike, the union was strong enough to win—which was a moral comfort. The only people who worked unusually hard were the Italian Gasterbeiter — guest workers — who thus endeared themselves nelther to the Germans nor to me. After all that, it is hard to take recent reports about a collapse of the German work ethic very seriously. The start of the col-lapse evidently predated my arrival on the scene.

its opposite. The economic reputation of West Germany which had soared like a rocket to an unsustainable height, sank back like a stone. The deficit in the current account of the balance of payments from 1979 was seen as one sign of a new malaise. The inability of AEG to pay its bills is seen as another—and the scandal over the trade unlon-controlled buildlng concern Neue Heimat yet another. Non Germans proclaimed the miracle over (often not without Schadenfreude), warned that the German economy might be going down

the drain—and sought out new supermen elsewbere, mainly in

the Far East.

. . Germans tend to be hypochondriacs, for whom health is not so much a state to be enjoyed as a condition preceding sickness. As in personal terms, so in economic ones. A boom is what happens before a bust, an upswing is bound to turn into a trough.

It is at this depressing point that the foreigners' new myth coincides with the Germans' own. You do not have to be in the Federal Republic for long to see that Germans tend to be bypochondriaes, for whom health is not so much a state to be enjoyed as a condition preceding sickness. As in per-sonal terms, so in economic ones. A boom is what happens before a bust, an upswing is bound to turn into a trough. If a lot of foreigners say the German party is over, that merely coincides with what Germans have believed would happen all along. "Mene, Tekel, Upharsin" wrote one

day about AEG, expressing the feelings of many of his country-"We have been weighed in the halance and found wanting.

There are some good reasons for these almost permanently furrowed German hrows. True, the post-war reconstruction period brought a boost to German morale as well as to the economy. But all the talk ahout a Wirtschaftswunder never re-moved the deep sense of insecurity many Germans feelas part of a defeated and divided country, with almost no domestic raw materials or oil and a big, permanent deficit on "invisibles" (which the rest of the world used not to nonce as it goggled at the German surplus on visible trade).

Hence the German tendency to worry incessantly and in minute detail about economic problems which other nations easily (sometimes too easily) shuffle aside. The mystery is that although over the years the Germans have become the world's champion foreign travellers and know their expormarkets intimately, they still secm unable to bring real per spective to their domestic diffi culties. They often talk as though theirs is the only country with high unemployment and almost no economic growth. Yet the whole Western and Communist world is caught is a recession from which no single country can draw itself out alone (with the posssible exreption of Japan).

The pressure is driving many badly-managed, as well as some well managed, companies to the wall and, alas, AEG belonged for some decades to the first category. There was no magic German system which could in-sulate AEG when the strain became intense. True, bankers and workers' representatives sat on the supervisory hoard — hut made mistakes like anyone else. Likewise, the decline of AEG does not signal an impending German economic Götter-dammerung. When the current crisis has passed, let us hope we will hear less about German miracles and tragedies - and more about a medium apse evidently predated my Tekel. Upharsin" wrote one sized country doing pretty well distinguished German news in similarly difficult circumpaper commentator the other stances to the rest of us.

Letters to the Editor

The UK economy, the CBI and the trade unions

From Mr K. Doly

Sir. - Perhaps you ought to give Mr David Basnett (August 18) another three-column shot at the British economy.

He says that in periods of free collective bargaining over the past 20 years Inflation has not abated, industrial efficiency has not been enhanced and the quality of the labour force has not been improved.

Since Margaret Thatcher was elected, the UK bas had free collective bargaining, the only discipline (and the best, undoubtedly) being availability of money. During this time, inflation has abated, and the trend looks likely to continue. There have been many cases of reductions in overmanning and the replacement of trade union imposed restrictive practices by flexible working arrangements. Thus, industrial efficiency and . the quality of the workforce have both improved and the pride and new found job satisfaction of many workers who have accepted change is one

nf the most refreshing things about today's industrial debate. I note, too, that Mr Basnett's proposals are aimed at a TUC/ Labour Government understanding. Maybe that's the nub of his problem - trying to marry a failed past with an unlikely future.

Little Cophall: Dowlands Lane, Copthorne, Crawley, Sussex.

Sir.—Now that gold is

"ablaze" on the world markets,

particularly in the last few days,

posals to tie "national curren-

cies" to gold. So far no com-

ments for or against have been

forthcoming from anyone en-

ning of a gold bulling company

The one overriding factor in

the entire world debata on, for

ease of definition let us call it "the gold standard" which

in Great Britain, France and

or in the gold industry.

Tying currencies

From Mr W. Shaw

to gold

From the Monaging Director, Forrest Construction

Sir,-The so-called "gloom and doom activity that the Confederation of British Industry is being accused of spreading has sound foundations in fact and experience. The latest national production figures confirm both the low level of activity and that there has been no upturn. The lack of new work and the severe competition for what there is, is a clear indication to many industrialists that things are not improving.

Industry has supported with enthusiasm the Government's policies which have brought inflation under control and which have resulted in industrial undermanning being drastically forced down. Both policies . have improved our

compensiveness as a nation.
What frightens us now is that this downward spiral in activity and employment may become unstoppable. The position is as bad as the CBI describes and it is surely right to be urging the Government to make a positive move to reverse the trend.

L. G. Forrest. Livingstone Street, Clydebank, Dunbartonshire.

From Mr N. Mendes. Sir.—It is sad that the directors of one of the nation's most important civil engineering companies. Taylor Woodrow—should decide to

available for the rest of the

be a very happy man to see "the gold standard" brought

hack internationally because

then gold would have to be re-

valued (at about \$10,000 an

ounce, maybe eventually reach-

1 know gold will reach \$1,000

an ounce in the medium term,

but I hope I am not heing too

down to earth in rather sadly

all rational and practical pur-

Sir,-Your article on Rolls-

poses is extinct.

Cavendish House,

Shaw Cavendish & Co.

Eversley Pork, Chester.

W. Shaw

If you pressed me. I would

world.

I have read with growing amaze-ment some new complicated academic arguments and pro-gold is \$355 an ounce.

gaged in the day to day run- saying "the gold standard" for

negates more than five minutes of such debate is "There 'aint enough gold in the whole world."

Changing from piece work to day rates

For example, if each person From Mr T. Finnegan

Living in London From Helen Pasaey Sir.—In reply to Mr P. Sergeant (August 18) who

leave the Confederation of British Industry. The reasons for their departure appear to be blatantly political while the CBI maintains, albeit with a little diffi-culty, its apolitical position. The CBl bas committed, in the opinion of certain Conservative backwoodsmen, the cardinal sin of researching for fact and then publishing the truth. It bas even compounded this crime by consorting with the "enemy" in the shape of Peter Sbore. Both of these demonstrate, in the belief of these tired Tories, lack of support for "our" Govern-

The CBI is not, at least I hope it is not, an arm of the Conservative Party in the way that the TUC is a member of the Labour Party. My company is in membership with the CBI because it represents the views of industry and commerce with-out fear or favour to all Britisb Governments. As soon as the CBI starts bending the facts to suit the circumstances it can say goodbye to my subscription and, I believe, those of thousands of other small busi-

I do not always agree with what the CBI does and says, but like Vortaire, I will defend to the death its right to do and say it. That is democracy. Nicholas A. Mendes. New Road.

West Midlands.

see whether in changing from niece work to day rates, Rolls-Royce can he the first company port system enabling it to in the country to avoid the 20 per cent fall-back in labour peace of mind as possible.

panies such a change. Many major companies in the UK going to measured day work, high day rate and similar systems in the 1950s and 1960s were seriously damaged by their subsequent inability to control labour performance.

effort which normally accom-

I would bet, without knowing the circumstances inside Rolls-Royce, that in making the arrangements that you have the provinces. publicised in your article, Rolls-Royce will have thrown away the output percentage per man of something in the order of 20 per cent by the end of the first operating year. T. M. Finnegan West Germany hought one gold Royce (August 19) productivity Richmond Edge.

sovereign each year, then not targets is extremely interesting Darlington Road.

a single nunce of gold is then and it would be interesting to Richmond, North Yorkshira Helen Passey, 75 Cranfield Road, SE4.

ISLAMIC REPUBLIC OF PAKISTAN Oil and Gas Development Corporation

INVITATION TO BID FOR PETROLEUM EXPLORATION ACREAGE

The OIL & GAS DEVELOPMENT CORPORATION invites oil companies to apply for joint venture operations over the eight onshore blocks delineated on the opposite map

A BROCHURE OF PRESENT-ATION giving all the relevant information and the conditions for prequalification is available free of charge on request by telex at the address indicated below.

The blocks will be offered under a CONCESSION AGREEMENT governed by the petroleum legislation already in force for several years.

·The DATA in respect of joint · venture areas will be available for examination to the pre-qualified companies free of charge.

The DEADLINE for SUBMISSION OF APPLICATION for PRE-QUALIFICATION is OCTOBER 31, 1982.

All enquiries and proposals must be submitted to:



Oil & Gas Development Corporation

20-C. Street No. 2, F-8/3, Islamabad, Pakistan Phone: 51044 Telex: 5692 OGDC PK CONCESSION BLOCKS 30 10 0 OFLINEATED STRUCTURE

Paragon OGDC-5

Bairstow Eves, which obtained full Stock Exchange listing in June this year, reports pre-tax profits for the half year to June 30 1982 of £421,310 from turnover of £2.67m and the company is confident of meeting its profits forecast of £1m for the 12 months.

The directors have declared a net interim dividend of 0.22p prospectus issued in May. Earnings per share are stated at 2.33p, as against a forecast for the year of 4.09p. Tax for the period took £219.081, leaving net profits of £202,229.

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Turnover

Profit before taxation

Earnings per Ordinary Share

Dividend per Ordinary Share

maintained.

The results for the six months periods have not been audited.

Profits before tax up 31 %.

Interim dividend up 25%.

Forward workload mantained.

Texation on the profits for the six month periods has been calculated at 52°.

Points from the Statement of the Chairman, Mr. Osviald Davies, C.B.E., D.C.M.

After further substantial investments, liquid resources

Sandiway House, Northwich, Cheshire. Telephone: Sandiway 883885. Telex: 669708

CIVIL ENGINEERING BUILDING TUNNELLING SURFACE MINING

STRUCTURAL STEELWORK

Profit after taxation

Mr John Bairstow, the chair-man, predicts substantially higher earnings for the second

Since the flotation of this residential estate agency, offices have been acquired in Dagenham and Longition in Essex and Edgware in Middlesex. bringing the number of residential sales offices to 36, Mr Bairstow says. These acquisitions are not expected to affect profitability in the current year, but will enable the company to progress in the future, he adds.

The directors say they are confident that the company is in an excellent position to benefit from the increased activity in the housing market.

Fife Indmar profit rises to £397,000

Pre-tax profits at Fife Indmar for the six months to June 30 1982 advanced from £375,000 to £397,000 on turnover up from £5.02m to £6.58m.

The directors of this holding company with marine and engineering interests bave declared an unchanged net interim dividend of 1.3p per 25p share on the increased capital. Last year a total of 8p per share was paid out from pre-tax orofits of £733,000.

Tax provision for the half year is £90,000, against £195,000 in the corresponding period of last year, when provision was made at the rate of 52 per cent, which was in excess of the actual tax charge.

Attributable profit current cost basis through at £175,000

Lasmo rises to £64m pre-tax and pays more Exco sharply relaised profits £15.8m production in Indonesia of 5,000

Scottlsh Marine Oil (Lasmo) have risen by 59.2m to £64.201 for the first half of 1982. But attributable earnings, including £5.801 last year arising from the sale of 1.5m barrels of "make-up nil," have slipped from £24.1m to £23.7m.

The directors say results achieved during the period and recent developments justify raising the interim dividend from 4p to 4.5p net—last year total was 10p no £113.2m taxable profits. First-half earologs per . 25p share were 30p. against 23.7p excluding make-up oit or 31.7p

Mid-year sales improved from £109.4m to £116m. In the UK, crude oil accounted for £105.9m (£103,2m) and gas and con-densale £3.5m (£1.3m). U.S. crude oil sales amounted to £6.6m

Operating profits were chead from C66.1m to £73.9m, before charging net interest payable of £4.7m (£6.5m) and a £5m (£4.6m) provision for payment on the Oil Production Stock (OPS). The exact amount of the OPS payment in respect of the period cannot be determined until the

precise operating costs incurred in extracling Ninian oil and conveying it in the terminal at Sullom Voe are known. The estimated amount payable is equivalent to a net payment of 66.7p net per unit, compared with 62.5p last time which excluded make-up oil. make-up on.
Tax increased from £37.6m to
£42.2m. After all charges, profits

retained were £0.8m lower at

In current cost terms, pre-tax pro6ts were £59.6m (£52.5m)

(£18.5m).
The company has recently taken two major steps to expand and diversify its production and

ll was announced in June that agreement in principle had been reached to acquire, subject to Department of Energy consent and shareholders' approval. Bp's 15 per cent interest in Licence P187 which includes the Beatrice

agreed that the date of acquisi-tion should be October 1 1982, rather then be back-dated to January I as originally proposed. This will cotail various adjustments in respect of transactions since January I which largely included the second control of the second reflect additional capital expenditure incurred by BP in this period and the purchase consideration will now amount to

sideration will now amount to aproximately £80m.

From Oclober 1 therefore Lasmo will have additional pro-duction from Beatrice of some 5,000 bopd and obtain current tax allowances arising from the

capital expenditure.
The second and even greater step was the receotly announced acquisition of Hudson's Bay Oil and Gas Company's interests mainly in Indonesia (to be shared equally with BP) and. separately, in Australia, Brazil, Easpl. Italy, the Netherlands, Norway and the UK.

Subject to shareholders'

approval as well as governmenta and other consents the acquisiand other consents the acquisi-tion is effective from July 1 and after various adjustments Lasmo's sbare of the costs is expected to be around \$145m.

It will bring Lasmo immediate

hopd which is expected to rise substantially as the Lalang, Mengkapan and Kakap fields, currently under development or development. awaiting hrought into production in 1983 and 1984. In addition there is considerable future exploration

Hudbay is the operator for the development of the Lalang and Mengkapan fields which will thus be undertaken jointly hy Lasmo and BP. In Australia subsequently beed where the Woodada gas discovery is undergoing production testing and Italy Lasmo become the operator.

> During the second half of the year the directors expect Ninian production, currently yielding 28,000 bopd net to Lesmo, to contimue at its present level. The company will begin to receive production from the Beatrice field and from Indonesia hut it will also have to bear the interest burden of their acquisi-

Looking further ahead, the directors expect that Beatrice and Indonesian production will not only compensate for the eventual decline of Ninian but increase Lasmo group crude nil production, so that by 1984 it is expected to reach over 40,000

"There is no doubt that the prospects for our company are for the half year totalled 5.9m radically transformed by these barrels of crude oil and 4.43bn two major developments," the directors state.
Ninian continues to nerform

extremely well. Average oil pro-duction for the balf year was 305,000 barrels per day (292,000 North Sea oil which is a major

After commenting on the financial markets in the light of the trade figures, the buildog issue by EDF of France and the sharp upswing in gold to over \$400. Lex moves on to consider the main company news of the day. Exce has reported an increase in pre-tax profits from £5m to £6.4m. The company has taken a conservative stance towards the effect of the WICO acquisition and the increase in the Unitel holding. The second half is expected to produce some good figures and the interim payout is 21p per share. De Beer's results turned out to be much worse than anticipated and the share price dropped 28p yesterday following a halved dividend. Thanks to a change in the accounting base the profits drop is only R52m to £295m, hut the underlying trend is much worse. Finally Lex takes a lock at the half-time figures from Lesmo.

harrels). Lasmo's share of production for the period January to June 1982 was 5.14m harrels. The British Gas Corporation offtake from the Hewett field during the period January to averaged 524m cu ft per

day (438m cu ft per day).
Lasmo's share was 4.28bn cu ft.
Oil production from Lasmo's wholly nwned U.S. subsidiary. Bates Oil Corporation, averaged 1,945 harrels per day 11,400 barrels per day) during the haif year. The higher level is due to the addition of production from new properties acquired in

Group sales in the UK and U.S. cubic feet of gas. Representations continue to be

made by industry associations and by individual companies con-cerning the level of taxation on

viability of new developments. Meanwhile the 1982 Finance Act which to a small extent improved Lasmo's tax position. Cash flow from operations

during the period January I to Juoe 30 after payment of tax, amounted to 561m. Capital expenditure in this period (including \$25m for the acquisition of pro-duction and exploration acreage io Kanas, Louisiana. Okiahoma and Texasi amounted to £26m. Reservoir and engineering studies are continuing to seek both economically and technically acceptable methods of

exploiting the Columba, T Block and Andrew fields. Attention is now turning to possibilities for developing the fields using floating facilities, which offer the opportunity of lower "front capitat cost development

higher midway

TAXABLE PROFITS of money broker Exco international advanced sharply from 15m to £6.45m for the six months to June 30 on higher turnover of \$20.55m, compared with £16.68m an increase of 23 per cent. Operating profits rose by £790,000 to £5.23m.

The directors consider the results satisfactory, particularly in view of the fact that they on not incinde any benefit of the recent increase of the group's investment in United from 36 to

49.9 per cent.
They point out that this further investment also reduced the group's earnings per share for the period since the figures take account of the 28m extra shares issued in April without the corresponding benefits.

In addition, the directors say although no loans for the purchase of Telerate by Unitel were drawn down until January 4 this year some £447,000 of imputed interest was charged against pre-

They explain that the acquisition of 75 per cent of W. I. Carr., Sons and Co. (Overseas) Holdings was effected on May 26 and therefore, only one month's earnings were incinded in Exco's first half results. The full hears first half results. The full bene-fits of the additional investments in United and Carr will be reflected in the results for the

The directors say money

Good Relations Group rose by £90,000 to £203,000 during its

cent improvement over the £1.12m achieved in the corre-

sponding months a year earlier.

Mr Anthony Good, the group's chairman, says business has con-

tinued to expand at "a very satisfactory rate across all

first half year as a public qu company covering the period to end June 1982. Turnover advanced to £1.58m, a 41 per

Good Relations' interim

Gillett Brothers Discount Company PLC

The directors of Gillett Brothers Discount Com-

pany PLC have declared an interim dividend payable

on 20th September, 1982, of 7% (1981 7%) on the

ordinary share capital of the company. With tax

credit this is equivalent to a gross dividend of 19%.

The company has traded profitably and there has

The company is not a close company under the

Income and Corporation Taxes Act 1980.

profits up by £90,000

broking operations are con-tinuing to grow and show increases in both turnover and profitability. Group trading during July and August continued at encouraging level."

The performance of Carr is very promising, despite the recent crimate in Far Thinken stock markets, and Telerate making "excellent progress." At end-July a total of 7,076 ter-

minals had been metalled compared with 5,078 at September 30. Stated earnings per 10p share for the first half came through 1p ahead at 7.1p. The not interim

dividend is being held at 2.5p.

Taxable, profits for the period included a much higher starre from associates at £1.22m, against £567,000. The associates contribution included pre-tax profits from United for the six months to March 31, 1962, during which period Exco was entitled to only 36 per cent of its profits. First balf tax took £3.19m (£2.67m) leaving the net belance 62 per cent bigher at £3.26m, compared with £3.44m.

Exco International offered 14.5m of its ordinary shares for

sale at 140p per share in Nov-ember 1981. Its taxable profits for the year ended December 31, 1981 totalled £10.65m, on turnover of

specialised areas of public rela-

tions activity."
He adds that "at this stage,

we remain confident that a con-

achieved in nur first full year as a public company —the group obtained a quote for 950,000 its 10p ordinary shares on the Unlisted Securities Mar-

Based on the results the directors have declared a net

interim dividend of 1.4p per

ket in December 1981.

Charterhouse Petroleum rises to £6m in first six months

PRE-TAX PROFITS of Charterfrom 58.91m to £6.62m, on turnover up from £8.91m to £6.62m. Profit from oil production before duty advanced from £5.55m to £6.57m.

A same again not interim dividend of 0.25p per 25p sbare is recommended, and earnings per sbare are stated higher at 2.5p (1.66p). Last year a final dividend of 0.5p was also paid, from pre-

Supplementary petroleum duty for the half-year came to £1,65m (£1.46m), exploration costs more than doubled to £833,000 (£409,000), while share of asso-

ciated companies' losses house Petroleum to the six little changed at £47,000 pleasant aspect with attributable months to June 30 1982 rose from (£44,000). Interest payable was Thistle barrelage peaking at £333,000 (£200,000) and interest receivable on short term deposits amounted to £2.37m (£1.85m).

Petroleum revenue tax for the company, which is involved in oil and gas exploration and proon and gas exploration and pro-duction, was down slightly to £1.93m (£2.08m), and corporation tax totalled £2.01m 1£1.84m). There was a £395,000 (£167,000) exchange loss.

price to stay flat in dollar terms in the immediate future and says no significant progress has been made by the industry in reducing the penal UK rates of taxation on oil production activities."
Government royalty, duty and
taxes per share are put at 8.24p
(7.84p).

ottractive returns based on realistic oil price and tax

increased interest tocome and the lower rate of deferred lax. The fall in the value of the pound offset weaker dollar oil prices.
Oil produced in the period rose
~ 544,000 barrels, from 504,000

tory drilling to secure additional oit reserves, it says. The benefits will not be reflected in trading results until production from new discoveries begins.
It is expected that the explora-

On a current cust basis, trading print is put at £2.71m, pre-tax proof at £5.08m, attributable profit at £741,000, and earnings

comment

The balance sheet accompanying Charterbouse Peiroleum's

245,588

13:451

9,566

21.79p

5.50p

interim statement presents a around 3,000 per day, and net cash swilling around the £30m mark. Many oil companies might envy cash rich Charterhouse. though with drilling and exploration set to move up another gear, that figure is now for the first time outweighed by capital commitments, which have risen above the £24m indicated in the 1981 report and accounts. Charterbouse very pointedly gives a figure for what might be termed "government rake-hack per share," though this has fallen to "only" 3.2 times earnings per share, as against 4.7 times, reflecting the company's increasing involve-ment in less highly taxed areas of exploration most potably Abu Dhabi. Charterhouse Petroleum's acreage has now reached 1.2m, as against the 14,000 when it was floated off from Charterhouse Group (which still holds 45 per cent) in 1980. The company oow seems more interested in

1983. For the year 1981-82, pre-tax profits rose by 8 per cent from £36.24m to £39.12m, on turn-

over 11 per cent higher at £350.8m, against £316.2m.

In his annual statement with accounts, Sir Robert Hunt, the

chairman, says the volatlity of world market conditions makes

accurate forecasting increasingly

difficult, but with aggressive mar-

keting and strong management

action to control costs, the group

expects to make further progress

during the current year.

The group order: book at the

year end had increased slightly

but insufficiently to cover the

rate of inflation. This reflects a

reduction in aerospace and

defence prders accompanied by

an increase in each of the group's other divisions.

Increases in productivity

Fairclough climbs 31% in first half

Fairclough Construction Group
has risen by 9 per ceol from
f118,73m to f126.81m, while prenames which presented. FIRST-HALF 1982 turnover of tax profits have shown a 31 per cent increase from £5.13m to £6.74m.

The interim dividend is being stepped up from 2p to 2.5p oet. costing £1.1m (£0.88m)—last year's total payoul was 5.5p on record £13.45m taxable profits.

Mr Oswald Davies, the chairman, says the group is maintaining its forward workload without ing its forward workload without eroslon of margins

anticipates certain significant awards to the near future.

The receotly formed subsidiary, Fairclough Projects, has made an impact in the project management field of the industry in the private sector and has secured several notable contracts.

be states. Further substantial lovestments have been made which will produce benefits in the tunifies which appear to offer oow seems more interested to future as have cartier steps a line through the metrim taken, where the group is onw resolutely availed anything west assumptions.

Essuits begind from higher shares yield 11 per cent.

aerospace and defence division,

thus accommodating, .without

loss of margins, a short term lack of growth, the chairman

industrial divisions, despite Gerce competition aggravated by the poor world economy, are

expected to make steady pro-

The group has recently made

two acquisitions, both of which are complementary to its exist-ing business and will enhance

group profits. One, was a 75 per cent interest in Polypac, an

Italian manufacturer of high quality seals, and the other a

100 per cent holding in RFL Industries, a U.S. electronics

At the year end, group fixed

assets were ahead from £75.03m to £88.9m. Net current assets

came to £111.12m (£101.33m) while sharebolders' funds in-

creased from £169.92m to £194.56m. There was a cash out-

flow of £4.99m (£19,000 inflow).

Meeting, Cheltenham, October

The mining, electronics and

better than the City expects. The latest figures are no exception After tax of £8.51m. against and yesterday the share price bit £2.67m. earnings per 25p share an all time bigh with a 7p rise advanced from 5.61p to 7.37p. to 190p. It now looks as if the to 190p. It now looks as if the group will heat its 1981 profits by a good £3m. Fairclough is not on to bare its soul to the market bul il looks as if investment income beld around the £2m mark and associate profits came out a little higher. Despite £7m worth of iovestments during the half year -stakes in Wm Press and Greencoat Properties and a large building in Manchester—Fair-clough is still skiing on £30m or so of cash. The ultimate bome of that beavy purse is still undecided but the group is looking at balf a dozen possible sequisitions and a bid is surely not that far away. Meantime a fully taxed prospective p/e of 10.3 (assuming £16;m) and yield of perhaps 5.5 per cent (taking a line through the interim increase) is hardly expensive for a company with this sort of

Apex slips Dowty expects further to £303,000 improvement this year FURTHER PROGRESS is ex- through the considerable invest-pected by Dowty Group during ment in advanced equipment the current year ending March, during recent years should en-1983. For the year 1981-82, pre-

Slightly reduced net profits have been produced by Apex Properties for the year to March 31 1982 from £341,000 to £303,000. Group turnover was little changed at £1.12m against £1.1m.

At the halfway stage net profits stood at £166,683 compared with £174,097.

Earnings per 10p stock unit are given as slipping from 3.17p to 2.82p. The final net dividend is held at 1.3p which repeats the year's total at 2p.

Tax this time took £323,000 (£380,000). The directors say that extraordinary tems of £83,396 have been debited to the capital reserve account.

Yearlings down

The interest rate for this week's issue of local authority bonds is 101 per cent, down three-eighths of a percentage point from last week and com-pares with 144 per cent a year ago. The honds are issued at par and are redeemable on August 31 1983.

A full list of issues will be pub-lished in tomorrow's edition.

January, 1982.

OIL AND ASSOCIATED INVESTMENT TRUST PLC

Extracts from the Statement of the Chairman, Major A. S. W. Joseph, in respect of the year ended 31st March, 1982.

Unless some concord is achieved between the OPEC countries, particularly the differences voiced by Iran and Nigeria, a continuation of a glut is probable, and we may have to wait longer for a recovery in the popularity of oil shares. We teel, however, some degree of agreement to be likely.

A successful Oil and Gas Industry is as essential to our country's future now as it has always been. It is to be hoped this will be understood by the authorities and, in particular, the Chancellor.

Oil and gas production and distribution will have a great part to play in the world's economy once the

recession is over. Net asset value per share at 80th June, 1982: 96p

BOARD MEETINGS

The following compenies have notified dates of board meetings to the Stock Exchangs. Such meetings are usually held for the ourpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdividends themselves have are hard. divisions shown below are based mainly on last year's timetable.

mainly on last year's timetable.

TODAY
Interims: Blua Circle Industries.
James Dickie (Drop Forgings), William
Jacks. Liberty Lis Association of
Africs, Pearl Assurance. Queens Most
Houses. Rotork, Slough Estates, SquirrelHorn, A. G. Stanley.

Finals: Associated Dairies, Sungal Basi Mines Malaysia. **FUTURE DATES**

Moss aros. Weir Group Finals— Coronation Syndicate

DIVIDENDS ANNOUNCED

Dividends shown pence per share oet except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. † USM Stock. § South African cents throughout. I increase to reduce disparity.

M. J. H. Nightingale & Co. Limited

. 19	81-82				e	10 -1-1	2/1	
	Low	Company	Price	Change	Gross div.(p	Tiens 1 %	Actual	Fully
128 138	120 100	Ass. Brit. Ind. Ord Ass. Brit. Ind. CULS	128 138	, -	. 5.4 10.0	5.0 7.2	11.6	14.4
75 51	62 33	Almstage & Rhodes	70	<i>-</i>	6.1	·87	. 8.0	13.7
292 175	187 100	Serdon Hill	232	_=	4.3 11.4	9.8 4. 9	3.7 9.7	8.3 12.3
265	240	CCL 110c Conv. Pref	115 265	+ 1	15 7 26 4	13.7 10 0	10.7	12 0
104 136	60 97	Geborah Services	73 134	=	6.0 7.9	8.2 5.9	5.1 5.6	7.4 6.11
83 78	39 48	Frederick Perker	71 53	=	6.4	8.0	3.6	6.6
102 777	93 100	Ind. Precision Castings leis Conv. Pref	96 ·		73 15.7	7.4	7.1	10.7
114 135	94 108	Jackson Group	114 135	_	7.5	13.4 6.6	3.5	7.3
334 82	198	Robert Jeckins	196	Ξ	9.6 20.0	7.1 10.2	9. 9 2.1	11 0 31.1
222 44	150 21	Torday & Carlista	82 160	+ 1	5.7 11.4	7.0 7.5	10.6 6.7	12.8 11.5
103	73	Unitock Holdings.	21 84	= .	0.46 6.4	2.2 7.6	6.6	9.6
263	'212	W. S. Yestes	248 Pro	 	14.5	5.8	6.5	13.0
				ere has	A-010	٥.		

LADBROKE INDEX 569-574 (-5)

THE TRING HALL USM INDEX 128.3 (+0.7) Close of business 24/8/82 Tel: 01-638 1591

Telephone 01-621 1212

BASE DATE 19/11/80 189

27/28 Lovat Lane Lundon EC3R 8EB

هكذامن الأيمل

seems optimistic and we continue to lake a cautious view overall. With a substantial degree of liquidity, and a sound portfolio in an attractive sector, your Directors are confident about the future." CHARMAN 30 JUNE 1982 NET ASSET VALUE. TOTAL ASSETS £42.7m To The Secretarial Department, Ivory & Sime Limited, One Charlotte Square, Edinburgh EH2 4DZ. Please send me a copy of the 1853 Annual Report for The independent investment Comcan, FLC.

the second half of 1982; this view now

Fairclough Construction Group p.l.c.

126,808

6,742

3,236

7.37p

2.50p

6 months ended 6 months ended

.116,734

5,134

2,464

5.61p

2.00p

The Independent

Investment Company

AN INVESTMENT TRUST COMPANY WHOSE POLICY IS TO ACHIEVE CAPITAL GROWTH THROUGH

INVESTMENT IN TECHNOLOGY COMPANIES

The recession in the United States has been widely predicted as likely to end in

tax profits for the 12 months of £10.1m. Charterhouse expects the off

However, the company says it is optimistic about the long-term benefits of its exploration and production assels and is evaluatog various international opportunities which appear to offer

previously.
Since its flotation two years ago Charterhouse bas concentrated on acquiring exploration acreage and is increasing explora-

tion charge will increase as drill-Ing activity expands.

To meet ouistanding commitments, the company has preserved its cash resources and thereby benefited from the prerailing bigh interest rates. These funds are being invested in exploration and production.

per share at 1.42p.

LMI ahead after first

been the subject of previous re-ports on its adverse trading posi-Its equity has been disposed of and the group remains with a secured obligation repayable over a period of years. The other company disposed of was Collico, whose main busi-ness was that of hiring collapsible packing cases. It was one of the group's smaller units and was sold on a hasis involving visting management and staff. The chairman says these moves conclude the current phase of enreanisation within the group

three months

Mr C. M. Beddow, the chair-an of Loudon and Midland Industrials, tells members in his anoual statement that current trading results of the continuing husinesses show profits for the first three months of the current year are ahead of those of the corresponding period last year. He adds that the balance sheet remains strong with "im-portant cash balances" and says he helieves the strategies which have been developed by the group over the past years from a proper foundation for significant renewed growth. The chairman says he is coofident that this will be reflected in the outturn

Mr Beddow points out that since the end of the financial year the group has made two further divestments in line with its policy of strategic changes designed to reflect positively in future group operations
These were Ariston Alloys

which the chairman says had

		Date	Corre-	Total	· Tota
	Current		sponding		lasi
	payment			year	year
Al Industrialint.	NÏI	` —	Nil	_	0.01
American Trustintf	1	Oct 8	0.7	_	2.25
Apex	1.3	Oct 20	1,3	2	2
Bairstow Evesint	0.22	Nov 26		_	<u> </u>
Charterhouse Petint		Oct 19	0.25	_	0.75
Exco Intulint	2.5	Nov 16	2.5	_	
Fairclough Constr. int	2.5	Jan 4	2	-	5.5
Fife Indmarint	1.3	Oct 1	1.3	_	fi
	.7	Sept 20	7	_	8.75
Good Relationsinti		Oct 1		_	_
Johannesburg Consid.	4708	Oct 25	450	600	600
Jos Hldgs	2.53	Oct 25	2.35	3.fi	3.43
Lasmoint	4.5	Oct 29	4		10
McKay Securities	1.5	. —	1.35	2.85	2.7

EUROPEAN OPTIONS EXCHANGE

200

4.30 3.80 1.20

4.20

3.60 8.10 1.50 1.20

2.40 10 1.20

141

25

TOTAL VOLUME IN CONTRACTS 7,818:

8=516

A=Asksd

F.80 F.100 F.110 F.80 F.100 F.110 F.120 F.110 F.120 F.110

124 NL 81 87-91

10% NL 80 86.95

114 NL 82 88-22

10 NL 82 86-80

1014 NL 82 85-89

C F.102,50 C F.103

P F.102,50

F.110 F.112,50 F.115 F.110 F.112,50 F.115

F.97.50

F.100 F.102,50 F105

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20.00

tions.

Companies and Markets

\$408.50

F.101.50

74

6 4.20

37

4,90

F.29.90

F.87.20

2.90 -1.20 -0.50 1.30 -3 1 1.60 6.60 8.40 B:

1078

75

1,40

Allied Residential loss-makers to go

BIDS AND DEALS

BY CHARLES BATCHELOR

Allied Residential, the house- property disposed of earlier this huildtog group whose 1981 profits year, fell far short of its stock market. Alli placement forecast, is to close or sell off a number of loss-making activities.

It will dispose of net assets worth film at the end of December compared with total group assets of £2.85m at the time of the placement. These assets made 2 net loss of £10,000 in the nine months ended December.

This will allow it to concentrate its resources in the north of England and stem the cash interests which has resulted from the unforeseen continuation of the recession, it said yesterday.

Allied, which combined the

housebuilding activities of Allled housebuilding activities of Alled Plant Group and Thames Investment and Securities. was brought to the Stock Exchange by Tring Hall Securities in May 1981.

It reported attributable profits of only £178.000 in the nine manths ended December compared with its placing forecast of at least £1m for the year ended March, in February it announced its decision to change its year.

end.

Allied has agreed the terms for the disposal of the property and building finance interests.

Allied has agreed the terms for the disposal of the property and building finance interests.

Mr Crossley will retain a management deduction. If proceeds are more than £1.05m Allied will be entitled to the building finance interests brought into the new company by Thames Investment, excluding Buckingham Court, a London

SHARE STAKES

proceeds.

Electrocomponents - Clerical, Medical and General Life Assurance Society is interested in 5.24m ordinary (5.17m ordinary

Higsons Brewery - Dennis Bremner Corlett, a director, bas sold £250 6j per cent loan stock 2000-05 aod 50,300 ordinary stock units registered in the name of the Westminster [Liverpool)
Triist Co. He bas also transferred 3,000 ordinary stock units. Gerald Lingham Corlett, a director, bas sold 50,300 ordinary stock units registered in the name of the Westminster (Liverpool) Trust Co., and transferred 3 000 nrdinary stock uolts.

Garnar Booth-John Sebastian Macaillay Booth, a director, has disposed of 35,000 ordinary sbares reducing bolding to 23,084

Corah—G. N. Corah, executive chairman, has notified that his wife, Mrs P. A. G. Corah, has sold 30,000 ordinary shares.

Lep Group—The Merchant Navy Officers Pension Fund, following a recent purchase, is now the beneficial owner of \$150,500 ordinary (\$350 per cent).

finance to small housebuilders, for £183,711 in cash to Ford-

anchor, a new company sequired

by Mr Crossley for the purpose

Allied has also formed a new

group of companies consisting of North Stanfordshire Estates.

Absila and Mistfree to be sold to

Fordanchor for £100.

The sum of £1,05m owed by

these companies to Allied will remain due to Allied Mr Crossley

has agreed to effect an orderly management and disposal of some properties belonging to these companies and Ermine, and

to account to Allied for an

amount equal to the net sale

excess buf if they are less it will forego the balance of the £2.05m unpaid. Mr Crossley's life will be

insured for five years for £1m.

of this transaction.

586,500 ordinary (8.36 per cent). Carr's Milling Industries—Heygate and Sons bas purchased 108,000 ordinary shares. The company and its associates hold 1,138,500 shares (22.77 per cent). Baggerige Brick: The Right Hon The Earl of Dudley has sold 26,000 ordinary shares reducing his holding in 58,080 shares. His non beneficial holding is 533,332

Notlingham Brick: W. David Crane has disposed of 34,000 shares beld non beneficially and 6,000 from wife's beneficial holding reducing holding to 121,269 tless than 0.1 per cent). As ing reducing holding to 121,269 trustee he has disposed of 35,000 shares (5.13 per ceot—37,138 ordinary reducing holding to shares held beneficially and 58,064 (less than 0.1 per cent). 84,133 non beneficially).

J.C.Bamford expects sharp profit upturn

Staffordshire-based earthmoving markets, excluding the U.S., ac for a substantial improvement lo market. About 14 per cent of th profits this year despite de group's sales are made in th spite depressed market condi- UK and Ireland.

Allied said it bad decided to conceotrate on its northern housebuilding interests and to close its London office. It has ment on the fo.3m in 1980. Profit, before tax, in 1981 was agreed to terminate the service agreement of a director, Mr Turnover last year was £108m. Mr John Ellis, corporate mar-Stuart Crossley and to make a keting director, said unit sales compensation payment to bim of It will also sell Ermine Securi-ties, which provides joint venture

this year of the group's excava- land Vehicles in February, JCE for loaders, forward reach lift transferred most of its engine trucks and other equipment orders to Perkins Engines in would probably be static at about. March. Mr Ellis said the change 6,000. Turnover could rise about 10 per cent.

SHARE STAKES

of 1.73m ordinary shares.

Arlen Electrie: Malcolm Mut-kio, a director, has acquired 25,000 ordinary shares from a D.

Multitone Electronics: Finance

for Industry are beneficial owners

London and Cartotore Investmeol Trust: Hampshire County Council Superannuation Fund

owns \$80,000 ordinary (20.71 per

ance Society has increased huld-ing to 792,000 shares 15.03 per

Berry Trust: Sun Life Assir-

C. Bamford, the private, mated 23 per reol share of worl equipment company, is 2 iming 2 60 per cent share of the Ut

JCB's second most importan market is France. Mr Ellis sai it was the only market that ha been fairly strong so far this year, but he expected it to deteriorate in the fourth quarter

As a result of a strike at Ley over had gone smoothly and that 10 per cent. dealers and customers were JCB is a market leader in highly salished with the Perkins excavator leaders, with an estimate engines and service.

Gerrard & American Trust ahead midway National N.Y. to £1.88m office closure

Gerrard and National is to close its New York office on September 3. Trading in Euro-dollar Certificates of Deposit and Pre-tax reveoue of Americas Trusi rose from £1.78m to £1.88m io the six months to July 31
1982, and the net interim divi-dend is being raised from 0.7p
to 1p per 25p share. other instruments will contioue as previously from the London

However, the increase was made to reduce the disparity office.

The New York office was opened in June 1981 as an inforbetween interim and final pay-ments and should not be taken mation ceotre and to facilitate trading in Euro CDs when London was closed. Since then Gerrard and National has formed as an indication of dividend policy for the year as a whole, the trust warns. Last year a final of 1,55p was paid from toxable revenue of £3.32m. First half earnings per share a working association with Briggs, Schaedle and Co. of New York, a primary dealer in the U.S. fixed interest securities are stated at an unchanged 1.27p.

market which has taken a small and ner asset value per share is equity interest in the company, put at 79.5p 193.1p. The tax charge was £808,000 (£719,000), maintaining affri-In these circumstances it was decided that the reteotion of the New York office was unnecessary. butable revenue at £1.06m.

KDG

INSTRUMENTS RDG Instruments has acquired from the Receiver and manager of Bestel Dean plant, machinery and stocks of that company which will allow KDG to produce and market certain of the range of Bestel Dean's products.

LE VALLONET

The listing of Le Vallonet Co has been cancelled, over \$6 per rent of the company having heeo acquired by Aliaotis Resources International. G. R. Roldings: The Border Applications usay be sub-and Southern Stockholders Trust holds 387,000. ordinary sbares (9.36 per cent).

Applications usay be sub-milled to transact specific bargalus under the provisions of Rule 163 (2).

LONDON TRADED OPTIONS August 24 Tolai Contracts 1,594 Calls 1,135 Puts 422

	П	P.	Hust sa		or Sourset	jar Jar	CELITE I	A	ani	- .
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	Amro Bank				Gninness Mahon 11
	Henry Ausbacher				Hambros Bank 11
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	Associates Cap. Corp.		90		Heritable & Gen. Trust 11
	Banco de Blibao	37	0		Hill Samuel
	BCC1	**	95	7	C. Hoare & Co
	Bank Happalim BM				Hongkong & Shanghai 11
			%		Kingsporth Trust Ltd. 12
	Bank of Ireland		96		Knowsley & Co. Ltd 114
	Bank Leumi (UK) plc		%		
	Bank of Cyprus	11	%		Lloyds Bank 11
	Bank Street Sec. Ltd.	12			Mallinhall Limited 11
	Bank of N.S.W.		10		Edward Maoson & Co. 12
	Banque Belge Ltd		76		Midland Bank 11
	Banque du Rhone	11	1 %		Samuel Montagu 11
	Barclays Baok	11	%	A	Morgan Grenfell : 11
	Banque du Rhone Barclays Baok Beneficial Trust Ltd	12	%		National Westminster 11
	Bremar Holdings Lid.	12	4		Norwich General Trust 11
	Brit. Bank of Mid. East	11	96		P. S. Refson & Co 11
	Brown Shipley	⁻ 11	O'G		Roxburghe Guarantee 1149
	Canada Perm't Trust	11			Slavenburg's Bank 11
	Castie Court Trost Ltd.	11	46.		Standard Chartered 111
	Cavendish G'ty T'st Ltd.				Trade Dev. Bank 11 9
	Cayzer Ltd.		%	•	Trustee Savings Bank 11
	Cedar Holdings	71	ĝ,		TCB 11 9
	Charlerhouse Japhet		%		United Bank of Kuwait 11 9
_	Chnutartoos		×		Volkskas Intl. Ltd 11
	Citihank Savings				Whiteaway Laidlaw 1119
	Civdesdale Bank	11	ĸ		Williams & Glyns 11 9
	C. E. Coates				Wintrust Secs. Ltd 11 9
	Comm. Bk. of N. East	11	%		Yorksbire Bank 11 9
	Consolidated Credits			×	Members of the Accepting House
	Co-operative Bank			_	Commin ss.
				10	1.044 GEOGRICA D.S. I IIIOIII
	Corinthian Secs	#	%		8.25%. Short term £8,000/12 month
•	The Cyprus Popular Bis Duncan Lawrie Eagil Trust	15	70	4	7-day deposits on sums of: under
	Duncan Lawrie	11	-(1	•	£10.000 2%, £10.000 up to £50,00
	Eagli Trust	11	20		84%, £50,000 and over 94%.
	E.T. Trust	11	%	\$	Call deposits £1,000 and over 8%
	Exeter Trust Ltd	13.	%	į.	21-day daposits over E1,000 9%.

BASE LENDING RATES

RESULTS AND ACCOUNTS IN BRIEF

WINTERBOTTOM ENERGY—As set value on August 13, 1982, was 43 Bp effer deduction of prior charges at par (2003m). Net current trabilities for the deduction of prior charges at market value.

Results for year ended March 31 1982 reported July 6 Fixed essets E1.Bm (2003m). Net current trabilities (2003m). Net current trabilities (2003m). Net counterful (2003m). Net counterful (2003m). Net current (2003m). Shareholders' (2003m). (1003m). Shareholders' (2003m). (1003m). Meeting. G. F. LOVELL AND GO. (confec-

tionery manufactureri—Results for six months to May 1, 1982: no ordinary of pre-tax foss £32,000 (profit £15,000), no tax £28,000; loss per share 3 3890 (samings 0 071ot. Orrector state that liques arclude Rescsi Confectionary. They say that overneads are being reduced by intagration of the Lovell and Johnson manufacturing unit as stated on July S. Future results will benefit from this action. Current cost pre-tax losses £31,000.

action. Current cost pre-rex tosses 281,000.

F. COPSON (supplier of heating aguipment and builders' materials!—Results for year to April 30 1982; external turnover. accluding VAT. 55.31m (£5.89m); pre-tax profit (200 980 [£151,818); tax £59,750 (£51,708); minority £4,383 (£1949); available profit £135,947 (£137,218). Earnings par 50 ahare 3,78p (3,83p); dividend 1,5p (1,4p) net. coating £31,458 (£29,400) siter waivers of £22,542 (£21,000).

HAMMSON INDUSTRIES (englinearing, industrial cleaning)—Results for year ended Morch 31 1982 reported July 23. Group head assets £2,2m (£2,25m); not current assets £2,2m (£2,05m); hareholders' lunds £3,14m (£3,05m) Chairman hopes to toport slightly batter liquies for the current year es a whole. Meeting, airmingham, September 17, at noon

COCKSEOGE (HOLDINGS) (struc-tural and mechanical engineering)—

COS.697 (C126.843 assets). Bank over-drait CS97.705 (E405.845). Sharsholdars' funds 11 69m [L2.16m). Meeting, ipswich. Sectambar 10, neon.

LINFOOO HOLDINGS (retailing and cash and carry)—Results for year to April 24 1992 reported July 27. Shatsholdars' tunds 681 64m [C38.55m; 12 per cent convertible losh stock E9.72m (C10.05m); loshes C9.84m [C4.36m], ner current habilities (S.13m [C674.000] including book balances and cash 66 ffm (Cf.13m) and bank overdrafts C1.13m [P3.56m]; loan notes C7m [nit]. Meeting' September 15

EWART NEW NORTHERN (property)—Final dividend 39 (same) making 4p (same) for year anded April 30.1982. Profit articletable [27,633 (E25.533) arter all chaigs melliding set (11,172 (£10.727). Estings per abats 4.26p [3.940].

CROWN HOUSE electrical and machanical angineer, contractor, maken of table glassware)—Results for year to March 31.1982 reported on July 20. Shoreholdors' lunds (19.13m (C19.05m); fixed assets (12.55m (C9.36m), meesiments (150.65.1m), nat cattent assets (23.54m (C3.14m), nat cattent assets (23.54m (C3.14m), nat cattent assets (23.54m (C3.14m), nat cattent assets (23.65m (C3.24m); nat cattent assets (23.6

G T. ASIA (STERLING) FUNO -Results for period from Octobar 1 1931 to Juno 30 1982; net income (277,537, net assignment) price of participating redeemable pieterens

RADIANT METAL FINISHING INICETED RADIANT METAL FINISHING Jeioctro planns, meral finishing, home lurrishings retailer]—Results for year anding Fabruary 28 1982 olraydy known, Share-troiders' lunds (842,525 (£784,579); fivad assets £257,830 (£288,230); invosiments £120,356 (£712,345), current assets £706,025 [£68,493] including debiors and pre-peyments £128,178 (£88,988) nei current essets £514,345 (£437,645). Mosting: 69. Farifield Bood, Bow, £, September 10, ar 10,30 am REARDON SMITH LINE (bull caution

(1437,645). Meaning: 69. Fairisid Rood. Bow. 5. September 10, ar 10.30 am REARDON SMITH LINE (bul) carrier ond tanker 31 1982 reported August 17. Sherehelore Lunds (12.72m (11.79m1, shipbuilding and other torne f.12.22m (11.79m1); keed assets (12.72m (12.72m); need assets (12.72m (12.72m); need assets (12.72m (12.72m); need assets (12.73m); need assets (12.73m). Meating: Cardill, September 13, st 3 pm.

STEINBERG GROUP (ladres' clothing and handbegs).—Bossits for year to. March 27, 1982 reported on July 30. Shareholders' lunds (5.69m (15.6m); had assets (12.72m (12.58m); investiments (12.372 (137.725); curront assets (7.6m (19.4m) including debtors (19.25m); nal curant assets (19.25m); nal curan

The Hongkong and Shanghai **Banking Corporation**

Incorporated in Hong Kong with limited liability

Announcement

The Directors announce that the unaudited profit of The Hongkong Bank Group for the six months ended 30 June 1982 was HK\$815 million (1981: HK\$690 million), an increase of 18.1%. The profit was arrived at after providing for taxation and after making transfers to inner reserves, out of which provision for changes in the value of assets has been made.

The Directors have declared an interim dividend of HK\$0.18 per ahare (1981: HK\$0.15\frac{1}{2} adjusted), an increase of just over 16%. The dividend will be payable on 8 October 1982 to shareholders whose names are on the Register of Shareholders on 24 September 1982 and will amount to HK\$374 million (1981: HK\$310 million).

The following is an unaudited profit and loss statement for the six-month period under review.

Six months to 30 June 1981			6 months to	30 June 1982
HK\$m	£m	Net profit of The Hongkong and Shanghai	HKIm	£m
891	82	Banking Corporation and its subsidiaries	1,031	100
(201)	(18)	Profit attributable to outside shareholders of subsidiaries	(216)	(21)
690	64	Profit attributable to the sbarebolders of The Hongkong and Shanghai Banking Corporation	815	79
154	14	Balance brought forward	621	_60_
844	78		1,436	139
(38)	(3)	Transfers to reserves by subsidiaries	(38)	(4)
(310)	(29)	Interim dividend	<u>(374)</u>	<u>(36)</u>
496	46	Balance carried forward	1,024	99
IK\$ 0.35	£0.03	Earnings per share (adjusted)	HK\$0.39	£0.04

The following Consolidated Balance Sheet details are also given for the information of shareholders:

31 December 1981 (audited)			30 June 1	982 (unaudited)
HK\$m	£m		HK\$m	£m
304,206	28,032	Gross Assets	329,221	. 31,941
14,060	1,296	Shareholders' Funds	1 4,561	1,413

Prospects for the rest of 1982

High interest rates and tight monetary policies have continued to inhibit economic growth in the major industrialised. nations. This has led to increasing problems for the less developed countries not the least of which has been a growing move towards protectionism in some of their main markets. The recent trend for lower rates of inflation and reductions in interest rates is encouraging but it will be some time before these factors lead to an economic recovery. The banking industry generally is faced with many difficulties, and conditions in the second half year will not be easy. Nevertheless the Directors consider that profitability will continue at a satisfactory level and are confident of being able to recommend a final dividend of not less than HK\$0.37 per share.

Closing of Register of Shareholders

The Register of Shareholders of the Bank will be closed from 13 September until 24 September 1982 (both dates inclusive). In order to qualify for the interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Registrars not later than 4.00 p.m. on 10 September 1982.

By Order of the Board

FR Frame Secretary

Hong Kong, 24 August 1982

International **Public Tender**

Shares of **Banco Continental** (CONTINENTAL BANK)

The Corporación de Fomento de la Producción, CORFO (Chile's Production Development Corporation) kindly requests investors to submit offers for the purchase of 27,523,954 shares of BANCO CONTINENTAL which represents 55,05% of the share capital of the Bank.

Rules and Background data covering this tender are available to investors, at Moneda 921, suite Nº 822, Santiago, Chile, subject to payment of a \$5,000 Chilean Pesos fee.

Proposals should be forwarded in a sealed envelope, in duplicate, to: Vicepresidente Ejecutivo, CORFO, Moneda 921, suite 825, Santiago, Chile, no later than 10.00 AM, September 27, 1982 or to Executive Vice President, CORFO, One World Trade Center, Suite 5151, N.Y. 10048, New York, U:S.A.

All proposals will be opened before interested parties by CORFO'S Secretary General, who will administer this activity. CORFO reserves the right to accept the offer which, in their judgement, it deems to be in their best interest, or to reject all offers without offering explanations.

MINISTER EXECUTIVE VICE PRESIDENT

CORFO SANTIAGO, CHILE

BY KENNETH MARSTON, MINING EDITOR

AFTER HAVING set the sharemarket reeling in February with the sbock news of a cut from 75 cents to 50 cents in the final dividend for 1981, De Beers has followed up with a halving of this year's interim payment to 12.5 cents (6.3p).

Following the news the shares of the South African diamond giant dropped from 258p to 227p. Later, however, they rallied in very active trading to close at 242p, showing a net loss on the

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day of 16p.

But net attributable profits for the latest half year before deduction extraordinary losses of associated companies come out little changed at R253.1m (£126.8m), equal to 70.3 cents per share, compared with R254m in the same period of 1981 when

ne year's total v	vas R628	.3m.
_	Hall-year	Hall-y
	ended	and
	30.6.82	30.6
	Rm	
iamond account	105.5	20
veelmont incoma	91.3	10
ther interest	23.2	3
leocd. campanies .		5
urplus on realien,		•
of Invests	_	
elusapon of fixed		,
5156t1	1.2	
O-0-12 11		

major income sources of Johan-

nesburg Consolidated Investment

markets for gold, platinum and diamonds, the South African

year to June 30 with only a 12 per cent fall io net profits.

An unchanged final dividend of 470 cents (235p) maintains

the total for the year at 600

Profit before tax

Other net revenue ... Preference diva.

Annib, efter aztraord.

Raceined Distributable profit ...

Extraord, Item ...

Interim 130 Final 470c

'Johnnies") include depressed

Prospo. and research Stale's share of profit poder mining leases Profit efter tax Quiaide holders Preference dividends holders after extra-ordinery stems Share of extraord. losses of escood.

Companies
Oive an deld, charae
Rolained Earnings per dald. Ordinary items Orv. per dold. ekere:

It should be noted, however, that the lalest results include an Increase of almost R100m in the share of retained profits of associated companies. Thia reflects the merger in

January of De Beers Industrial current assets amounted to Corporation with Anglo American Industrial Corporation which became 25 per cent-owned hy De Beers. The group's share of the re- the overall assets of the group tained profits of its subsidiaries valued at some R2.4ho. Import-

is now grouped with investment antly, it is added that bank faci-

'Johnnies' does quite well

Tavistock's assets.

REARING IN miled that the at R86.1m [£43.1m] compared

mining and industrial group has RS49m for minority shares in done well to emerge from the Taylslock Collieries exceeded the

1981

The latest earnings come out current improvement in the

figure,

On the other hand, the effects the depression in the market

with R98m a year ago. The latter

quently reduced by writing off

by which the purchase price of

On the latest occasion, "John-nies" consolidated balance sheet

R4.6m, which arise from a com-

bination of factors, compared

with net current assets a year

ago of R39.7m. The latest net asset value of the shares is reduced 10 R102 (£51.10) per

share from R122 last time. The

shares rose £2 to £35 in London

The outlook for the current year is particularly difficult to judge, depending as it does oo

a geoeral economic Improvement

which would brighten the pros-

pects- for platinum, diamonds and South African industrial

But one hopeful sign is the

better quality stones.

the end of last year.

further \$300m (£172m):

Financing such a huge stock-

ings were R531m and other net

R321m with long term borrowings at R59m.

De Beers comments that such

are sufficient for the

See Lex

price of gold which, in the year to June 30 1981, provided the

income, or 18.4 per cent. It was

cent, platinum 14.5 per cent and

Newmont's gold

stake in Nevada

AMERICA's Newmont Mining has paid \$34.8m (£20m) for pro-

interests in the Gold Quarty

deposit, and s new longer term-lease on the remainder of the

Gold Quarry interest.

major source of

deposit lu Nevada.

horrowings are low in relation to

costs have resulted in Australia's EZ Industries suffering a trading loss of A\$12.9m (£7.25m) in the second half of its year to June 27.1 for diamonds are shown in a fall of R92.9m to R108.5m on the

But thanks to investment lu-come and the company's 30.85 per cent stake in earnings of the uranium-producing Energy Resources of Australia, EZ comes out with net income for Overall 'the diamond market picture is not much changed from earlier this year. A good dethe year of A\$9.12m compared mand continues for the smaller with A\$12.73m io 1980-81. and cheaper gems but no improvement is yet seen in the

The company is taking a more important market for the cautious line by omitting a final dividend following the payment Consequently the group's Cenearlier of an unchanged interim of 3 cents. The total for the Iral Selliog Organisation is still having to stockpile the better previous year was 13 cents. quality diamonds. It expects the

Meanwhile, EZ has openly stockpile to rise this year by a called luto question the future of its mining operations on amounted to R1.4hn (£700m) at Tasmania's west coast, reports Lachian Drummond from Sydney. Having temporarily laid off workers, EZ says that "in the pile is a major task. At June 30 short and medium term barrowlonger term the company can-not continue with any operation does not contribute to profitability.

Noting that the mining and refining activities were un-economic in the second half of the financial year after a bare profit in the opening six months said that industrial disputes and disruption at the Tasmanian mines had seriously affected production and worsened the cash loss in the latest period.

"Unless this cash drain reversed the future of this excellent ore body in terms of a viable mining operation and community can no longer be

Not withstanding the pressed prices for lead, zinc and silver-and possibly in view of its harder line towards its traditional Tasmanian base—the company is pushing ahead with its Elura lead-zinc-silver project in New South Wales. This is due to come on stream in early 1983

Utah profits maintained

perty needed to proceed with development of the Gold Quarry depreciation of Australian dollar against the U.S. dollar allowed Utah Deve-lopment Company, the largest Preliminary estimates put gold reserves in the deposit at about coal exporter in Australia, to hold profits at A572.4m (£40.6m) Sm oz of gold. Newmont said that after for the half year to June 30 despite a 21 per cent drop to coal shipments. The dividend is help maintained at A\$60.75m. several transactions by two of its subsidiaries, it has title to the surface and 87.5 per cent of the surrace and st.a per ceut of the mineral interests on nearly all of the "T Lazy S" rancb. It also has ownership of 10 per ceut of the undivided mineral most of which will go to the U.S parent General Electric.

The fall in shipments resulted from industrial problems earlier to the year which affected output and movement from the central Queensland mines.

RETAKING

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ART GALLERIES

PERSONAL

Global EZ takes Resources hard line claims U.S. LOW METAL prices and rising

oil strike

Global Natural Resources, the oil and gas group which is fight-iog off an attempt by dissident shareholders to unseat the board yesterday announced an apparent oil discovery in Montana.

Earlier this month Global revealed that McFarlane Oil, a U.S. exploration and development group which Global plans to acquire, had discovered gas resources "which could represent a very material increase to the McFarlane gas and oil reserves. This proposed acquisition is subject to an appeal before the High Court in London by the dissident faction attempting to

block the deal In an appeal to shareholders for their support released last reek Global said its policy was to concentrate oo exploration activity and the reserve of acquisitions in the U.S.

The company announced yes terday that its subsidiary Natural Resources Corporation had participated in an apparent Red River discovery in Montana. On Donald Christiansen 12-1 well, the Red River D zone, hetween 11.472-11.498 fcet, produced 157 barrels of oil on a one-hour drill stem

A second pay in the Red River C zone was confirmed by an earlier one hour drill stem test from 11,400-11.440 feet where recovery was estimated in be 19 parrels of oil plus 1 barrel of formatioo waler.

Natural Resources Corporation owns a 10 per cent working interest in a 320-arre lease on which the Christiansen 12-1 was drilled, and has an option to earn (by drilling) a 10 per-cent working interest io an adjacent 320-acre lease. Offset development of the discovery is under study.
Natural Resources Corporation

has also made its first completion prospect in Campbell County

The Davis Oil Company No. 1 Harrier Federel Well, which off-sets the Phillips Thundercreek 1-1 discovery well, flowed 107 barrels of oil plus 13 barrels of water and 175,000 cubic feet of gas in 24 hours.

Within the East Fensoo prospect Natural Resources owns a 25 per cent working interest in the No. 1 Harrier and in 2.140 acres, and a 12.5 per cent work-ing interest in 160 acres. Additional development locations on joint interest acreage are being

Advance by McKay Securities

PRE-TAX profits of property investment and development McKay Securities, advanced from £1.31m to £1.7m for the year ended March 31 1962. At halfway, taxable figures were shead from £535,000 to

rents and service Gross charges receivable amounted to £3.02m, against £2.57ml, Tax charge was £372,270 (£693,170) and after adding extraordinary items of £468,470 (£58,831), profits were well ahead at £1.3m, compared with £677,599.

The final dividend is being raised from 1.35p to 1.5p net for a higher total payout of 2.85p (2.7p) per share. Stated earnings per 20p ordinary share were up from 4.7p to 5p.
The dividend absorbs £395,063

(£374.270), there was a transfer to capital reserve of £587.593 (£168,616), and development outtotalled goings (£87,908).

Gillett Bros. pays same again interim

The directors of Gillett Brothers Discount Company state that the group bas traded production and that there has been a substantial increase in resources since January 31, 1982—the end of the last financial year.

when the group, which carries on the business of a discount bouse. made profits of £231.211 after tax and a transfer from con-tingencies

earns same but pays more

After slightly higher income of £320,000 against £319,000, Jos

s also proposed. Net assets per ordinary share are given as slipping from 95p

Expenses for the period under review rose from £50,000 to £57,000. Tax for the year was lower at £82,000 against £89,000.

SHARE STAKES. Afex Corporation - Western Selection sold 35,000 shares on August 17. Its holding is now

760,000 shares (8.53 per cent). G.B. Papers — Deltec Panamerican Group has increased its holding to 921,000 shares 112,33 per cent).

AI Industrial reduces mid-year loss to £0.28m

trial Products have been reduced payment of 0.01p was made while from £595,000 to £284,000 in the six months to June 27, 1982. Sales of this manufacturer of

ceramic and metal products de-creased from £7.83m to £7.52m. Although budgets indicate a continuing improvement in tradng results daring the second half, the directors say long term prospects must depend upon some consistent increase in overall demand.

Order books, which overall • comment With losses per 25p share

stated at 3.06p, against 8.25p, there is again no interim divi-

the pre-tax deficit totalled but interest payments continued 1989,000 (£907,000).

.The first-half result was struck after depreciation of £241,000 (£221,000) and interest charges of £297,000 (£333,000). Tax payments were again £4,000, and in 1981 there was also an extra-ordinary credit of £56.000.

were at a very low level in May The market greeted Al's return 1982, have increased following a to trading profits by marking and the properts for such an good intake for some ceramic down the shares ip to 8p. At this upturn look dim. CEGB orders good intake for some ceramic down the shares lp to 8p. At this. products in June and recent price, the siling engineering for the re-furbishing of high roll demand for overhead line fittings group is capitalised at less than age lines and some iproventeen in 15 per cent of its net worth. So much for what the market thinks of Al-what can shareholders now look forward to? The im-

to wash out any chance for a return to pre-tax profits in the year. Al is no disclosing the sum it received for the Stone significant and will be applied toward horrowings. With capital rearing spill over 50 per cent, the Stone sale and lower interest rates must be welcome news. Even so, the company hemalitis overwhelmingly dependent on an upturn in industrial demand

for the re-furnishing of high yolfexports are the only hopeful signs so far, but these are not choligh to hang a recovery on.
The waiting continues.

Improvement seen at Associated Tooling

earnings is anticipated by Asso-risted Tooling Industries for the current year.

In his annual statement accompanying the report and accounts for the year ended February 2S 1982 Mr Anthony Pratt, the 1982 Mr Anthony Pratt, the group's chairman, tells members that group profits for the current year to date are showing a marked improvement and that the order book is a good deal healthier than when he last bealthier

He points out however that

Mr Pratt continues that in

riew of the current pattern of trading, the year as a whole should, subject to no unforeseen circumstances, "show a material improvement in the group's

As reported on July 30 the roup, whose main loterests are engineering, achieved slightly higher pre-tax profits of £201.827 (£199.322) for the 12 months to February 28 last

e points out, however, that The chairman sums up by increase). The annual meetire has been a reduction in saying that during the past 12 will be held at 116, Pall Ma group's customer base mouths the group's directors SW, on September 15 at noon.

AN IMPROVEMENT in group atthough he comments that this have investigated several acquisiearnings is anticipated by Assovould seem inevitable "in these tioo possibilities and that they are currently having discussions of the difficult times" with certain companies

> The group's consolidated halance sheet at February 28 1982 shows fixed assets at £194,848 [£245,353], current assets at £264,649 (£368,055) and current liabilities at £369,783 (£363,366). Shareholders funds totalled 1935,568 (1935,387). The source and application of group-funds shows a decrease in net liquid funds of £29,768 (£59,218 increase). The annual meeting will be held at 116, Pall Mall.

International **Public Tender**

Shares of Compañía Chilena de Navegación Interoceánica S.A. (INTEROCEANIC CHILEAN NAVIGATION COMPANY)

The Corporación de Fomento de la Producción, CORFO, (Chile's Production Development Corporation) kindly reduests investors to submit offers for the purchase of 71,997.475 shares of Compañía Chilena de Navegación Interoceánica. S.A., which represents 92,91% of the share capital of the

Rules and Background data covering this tender are available to investors, at Moneda 921, suite No 822, Santiago, Chile, subject to payment of a \$ 5,000 Chilean Pesos fee.

Proposals should be forwarded in a sealed envelope, in duplicate, to: Vicepresidente Ejecutivo, CORFO, Moneda 921, suite Nº 825, Santlago, Chile, no later than 10.00 AM, October 8, 1982 or to Executive Vice President, CORFO, One World Trade Center, Suite 5151, N.Y. 10048, New York, U.S.A. All proposals will be opened before interested parties, by Corfo's Secretary General, who will administer this activity. CORFO reserves the right to accept the offer which, in their judgement, it deems to be in their best interest, or to reject all offers without offering explanations.

> MINISTER EXECUTIVE VICE-PRESIDENT CORFO-SANTIAGO, CHILE

BOND DRAWINGS

CTTY OF BERGEN — US.\$10,000,000
513 ** 20 YEAR EXTERNAL LOAN OF 1964
HAMBROS BANK LIMITED hereby gives bolice that, in accordance with the terms ms and conditions of the shore lean, the redemption for 14th Detector 1982, has been effected by the purchase of US.\$348,000 inormall and the under-mentioned bonds: amounting to US.\$335,000 inormally were drawn on the 12th August 1982, for redemption at par. The outstanding balance after the 15th Cetober 1982, redemption is US.\$1.540,000 inormally.

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The following Bonds from previous drawings have not yet been presented for payments-Bonds drawo for payment one 15th October 1981

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NOTICE IS HERESY GIVEN pursuant In Section 293 of the Companies Acr.
1948, that is Meebing of the Creditars
of the above-named Company will be
hald at Tudor House, Princeton Street,
London WC1 4AX on Wadnesdey, the
3th day of September, 1962, at 11
o'clock in the forenoon, for the purposes mentioned in Sections 293, 294
and 295 of the seid Act.
Dated the 19th day of August, 1982,
By Order of the Soard
J. BDULDING, Secretary to Section 293 of the Companies Acc

PUBLIC NOTICES

The Royal Borough of Kensington and Chelica Variable Rate Redeemable
Stock 1983
The Council of the Royal Borough of Kenaington and Chelase enneunce inser the hell-yearly payment of interest due on 24th February 1983 on the above stock will be etc. the rate of 25,8125 [less income tax] per £100 of stock.

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A same-again net interim divi-dend of 7p per £1 share is being paid—a final of 1.75p was declared for the 1981/82 year

Jos Holdings

of £320,000 against £319,000, Jos Holdlags, investment trust, has held net earnings at £180,000 for the year to July 31, 1982. Earnings per 25p sbare are given as 3.65p (3.66p) and the flual net dividend is being lifted from 2.35p to 2.525p, which raises the total from 3.425p to 3.6p. A one-for-four serip issue is also proposed.

to 88.9p.

London and Provincial Shop Centres Mr Rouald Gerard, chairman and joint managing director, has sold 5,000 ordinary shares reducing holding to 1,260,190 sbares.



International **Public Tender**

Shares of COPEC Compañía de Petróleos de Chife S.A. (CHILEAN PETROLEUM CO. S.A.)

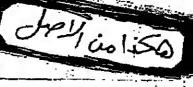
The Corporación de Fomento de la Producción, CORFO (Chile's Production Development Corporation) kindly requests investors to submit offers for the purchase of 84,941,632 shares of Compañía de Petróleos de Chile, S.A. (COPEC), which represents 14.16% of the share capital of the company, of which 45,763,717 shares belong to CORFO and 45,763,717 belong to ENAP (Chile's State Petroleum Company), shares

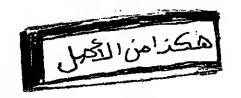
which are under CORFO control. . . Rules and Background data covering this tender are available to investors, at Moneda 921, suite No 822, Santiago, Chile, subject to payment of a \$5,000 Chilean Pesos fee:

Proposals should be forwarded in a sealed envelope; in duplicate, to: Vicepresidente Ejecutivo, CORFO, Moneda 921, suite 825, Santiago, Chile, no later than 10,00 AM, September 27, 1982 or to Executive Vice President, CORFO. One World Trade Center, Suite 5151, N.Y. 10048, New York.

U.S.A. All proposals will be opened before interested parties by CORFO'S Secretary General, who will administer this activity. CORFO reserves the right to accept the offer which, in their judgement, it deems to be in their best interest, or to reject all offers without offering explanations.

> MINISTER EXECUTIVE VICE-PRESIDENT-CORFO SANTIAGO, CHILE





Bulldog bond for Electricite de France

By Our Euromarkets

MECTRICITÉ de France is raising £75m through the issue of a 26-year buildog bond in the Landon market. The issue which will be priced today is the first buildog since the rapid rise in the gilt-edged market began 10

Led by Rieinwort Benson, the honds will be priced at a margin of 150 basis points above the gross redemption yield of the British Treasury 131 per cent stock majuring in 2004-08. The closing yield on this stock resterday was 11.34.

Eurosterling bonds firmed a further i point vesterday while other markets were again characterised by lack of new issues and small price move-

Nafinsa commercial paper line unwound

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

MEXICO'S state development those charged by commercial bank, Nacional Financiera, has banks. quietly wound down its commercial paper line io New York lutely top-rated borrowers, and which at its peak at the cod of in the light of Mexico's debt last year gave it borrowings of problems, some hankers said around \$300m.

problems, some hankers said yesterday that it would now he The line was wound down

gradually over a period of money in this way, months and Nafansa, which was The fact that it son with other horrowers in the of all creditors in any debt remarket made it less attractive structuring. as a source of funds.

ket, in which U.S. corporations short-term dollar finance with rates normally much lower than 69.50 pesoa per dollar.

But it is open only to absoyesterday that it would now he

difficult for Nafinsa to raise

The fact that it bas no outthe first developing country standing commercial paper borrower to tap the market, now does, however, remove one bas no commercial paper out- small complication to Mexico's standing. No other Mexicao debt problem. Mexico's \$60bm names bave tapped the market. public-sector debt is beld in is understood that a widely differing instruments by decision to wind down the line a wide variety of lenders, which came as the differential being makes it very hard to satisfy charged to Nafinsa in compari- demands for equal treatment

Separately, it is understood The commercial paper mar- that trading in Mexican petrobonds has resumed in Mexico lend their surplus cash, offers City after confirmation that the an exceptionally cheap form of redemntion value is in be calculated on an exchange rate of

Second Tigr issue by Merrill Lynch

By Our New York Staff

MERRILL LYNCH, the Wali Street investment firm, is to follow np its innovative kanch of deeply discounted zero coupon investment certificates backed by U.S. Treasury bonds with a second issue.

The firm's White Weld

capital market group launched the first Treasury Investment Growth Receipts (Tigrs) with a face value of \$2.56bn earlier this month. The Tigrs have proved a success with institutional investors, who snapped up the first issue within days. As a result, several other Wall Street investment firms have followed Merrill Lynch Merrill Lynch's second Tigr issue will have a face value of \$2.3bn hacked by \$500 in 12; per cent Treasury 2010

honds. The Tigrs will again he sold in two forms, serial and callable. Mr W. Joseph Wilson, the White Weld group's managing director, said the new issue, which will be priced later this week, would be aimed at both the institutional and Individual

years. After a heady start in

the 60s and 70s when the growth

In container usage and the appli-

cation of leasing principles created an industry with a glittering track record, times

Now, with their customers at the world's shipping lines struggling with low freight rates

and their bankers still charging

behind container leasing is a

simple one. Containers bave

proved themselves to be an

efficient and convenient means

of transporting products from manufacturer to the purchasers.

BY ROBERT KING IN TAIPE!

the Government to approve the

Kong investment company, a company official has said,

BRANIFF Internstional

Corporation, the parent com-

Braniff Airways which ceased

operations on May 12, bas

asked a Federal indge to

throw into default four pension funds covering nearly 9,400 (nemer employees and

The pension plans are guaranteed partially by the Pension Benefit Guaranty Corporation, a private company set up initially by the

BY OUR FINANCIAL STAFF

mercial rebicle manufacturer,

will make a small net profit

Europe's second largest com- 1983.

retired employees.

transfer of its shares to a Hong this year.

share prices. Hsing Lee invest- chemical ventures.

Braniff asks court for

pension funds default

U.S. Iveco sees surplus

THT U.S. subsidiary of Iveco, and another 50 per cent jump in

this year and if the American selling diesel engined chassis

economy picks up a "consider cabs—the Z van—to which able" profit in 1983, according to Mr James Bostic president of Iveco Trucks of North America.

Selling diesel engined chassis cabs—the Z van—to which America companies add their pwn van bodies.

Iveco of North America will

The company which is owned be profitable this year despite by Fiat sold 2,500 vehicles in the financial collapse of its big-

which makes plastics used in prices and the packing industry. It has demand.

essence, the principle

bave turned hard.

Εn

Deere earnings plunge as world sales volume falls

DEERE and Company, the large sales incentive programmes overseas operations were con-U.S. farm equipment manufac- necessary to stimulate retail deturer, only just managed to make a profit in the latest quarter, recording its fourth consecutive decline in net income.

The company's share price has plummeted in the wake of its disappointing results. Yesterday, it blamed low commodity prices and high interest rates for a 19 per cent decline in worldwide sales volume during

the first nine months Deera's third quarter net income plunged 93 per cent to \$4.16m or 6 cents a share com-pared to \$67.1m or 99 cents a share in the same period last year on sales down 22 per cent at \$1.147bn.

This resulted in net income for the first nine months of the year 79 per cent down at \$40.8m or 60 cents a share compared to \$195.7m or \$2.97 a share last year on sales which declined 14 per cent to \$3.46bn. Mr William Hewitt, chalrman, said worldwide not income for the third quarter and the first nine months of the year had retail heen "odversely affected by the reduced volume of sales com-years. bined with the higher costs of

mand in the face of extremely low competitive prices.

The lower physical volume depressed more of worldwide sales and resultinterest rates, ing drop in output had not only Mr Hanson s reduced the dollar volume of gross margins on sales, but had also increased production costs per unit because of plant underutilisation.

Interest expense had also been much higher than in 1981 because of higher borrowings to finance increased asset levels. Foreign exchange gains of \$36.1m for the nine months this year were considerably down on the \$72.6m in the same period last year.

Operating results excluding finance and insurance operations showed a \$16.3m loss for the latest quarter and a \$24.9m loss for the first nine months. Mr Robert Hanson, president and chief execulive, said that income from North American farm equipment sales was substantially down on last year with retail demand for farm equipment at its lowest level in recent

Industrial equipment and

Terry Byland, recently in New York, looks at the ship-container leasing industry

purchases of new containers.

ping. Flexi-Van, second

as a result, but the group has

look takes a turn for the

better

tinuing to incur larger losses than last year with overseas demand for farm equipment depressed mainly by

Mr Hanson said the company expected earnings for the rest of this year and early 1983 to "Temain under extremely severe pressure.

The company's comments will give little comfort to the stock markel. But the third quarter results, although poor, were still stock price gained 25 cents after the announcement to \$27%.

speculation has grown that Deere, which until recently had their own shares to Occidental substantially unimpaired earnings to stark contrast to some of its competitors, might be promation deadline expires at might be promation deadline expires at might be promation. forced to cut its dividend. Yesterday, company analysis were still predicting that Deere

would maintain the \$2 dividend

Occidental bid for **Cities** 'inadequate'

THE BOARD of Cities Service described Occidental Pelroleum's \$50 a share bid for half of the oil company's outstanding shares as "inadequate" The Cilies Service board, which is due to meet again today for further discussions advised each shareholder ." to make his or her own decision about the Occidental hid

The board's action is seen an attempt to protect itself from sharebolder lawsuits better than some analysis from sharebolder lawsuits expected. As a result, Deere's which might arise if Cities Service's management fail to find a higher bidder. In a letter to Nevertheless, the slock price shareholders. Mr Charles has declined from close to \$48 a share in the last 18 months as directors and officers have not yet decided whether to tender

midnight on Saturday. Cilies Service, a leading oil producer with mineral and chemical interests, takes a subhecause of the company's funda-mental underlying strength and from U.S. energy operations, the management's commitment with reficing and marketing to shareholders.

Further loss for Harnischfeger

BY OUR FINANCIAL STAFF

THE ANNOUNCEMENT of for the third quarter, against a another loss in the third quar- net profit of \$19.7m or \$1.99 a feger, the Wisconsin-based from \$168.9m to \$95.8.
manufacturer of construction.
mining and materiala handling nischfeger has a net loss of equipment is coupled with news \$19.8m compared with a profit that it has ben obliged by its of \$25.5m or \$2.64 a share. Sales institutional lenders to forgo for the nine months have successive dividend payments until April from \$498.9m to 354m.

The company blames the set-

Amendmentate agreements on around \$100m of long term debt compliance covenants resulting from the take-over of a major distributor of Harnischfeger's products and workforce and is rigidly con-trolling expenses in anticipation bave followed news of the loss of "continued depressed condiin the third quarter The heavy machinery maker.

paid \$26m for 1m shares a year. than \$1m in 1979. It has in come until the retained profit ago, turned in a loss of \$13.9m the past attracted a plethora of reaches "a certain level."

ter of this year by Harnisch- sbare last time. Sales dropped

back on the continued deterioration in demand for its major products. It disclosed that it is currently working at only onethird of canacity. It is continulng to reduce substantially lts

Harnischfeger made a profit which is 10 per cent owned by of \$29.1m last year, after strug-Kobe Steel of Tokyo, which gling back from a loss of more gling back from a loss of more

bid interest, but both Paccar, the U.S. locomotive manufacturer, and Mannesman, the West German steel and engineering group, withdrew their respective offers after encountering anti-trust problems.

The company's products, which include power cranes. overhead cranes and power shovels, have been badly hit by the industrial recession. About one-fifth of sales are outside the

Another major adverse factor in the first half, in which Harnischfeger lost \$4.9m, was a \$2,7m loss provision at Har-nischfegr Credit, the finance subsidiary.

The company points out that dividends, which were last paid in April this year, cannot now exceed 50 per cent of net in-

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobood prices which will be published next on Tuesday September 14. Closing prices on August 24

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Canon 6% 95	1/81	736.3	97%	99 -11	1,21		
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*No information svaliable—pravious day's price.
† Only one merket maker supplied a price.
Straight Bonds: The yield is the yield to redemption of the mid-orice; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change ever price a week entire. Floating Rate Notes: Denominated in dollars unless otherwise indicated Coupen shown is minimum. C die = Oate next coupon becomes effective. Servand = Marquin above six month infisred rate (t three-minith; \$ above mean rate! for U.S. dollars. C.con=The current coupen. C.vid=The current vield.
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THE SHIP container leasing in world ship container leasing. admitted in New York that business was still "relatively industry has not enjoyed the best of fortunes in the past few

fiscal 1981, Flexi-Van, which operates container leasing out of more than 80 countries and counts most of the major world shipping lines among its clients, saw income from continuing operations fall from \$23.8m to \$11.9m, compared with a high point of \$38.3m in 1979. At net income level. Flexi-Van recorded \$4.9m relatively high interest rates, the container leasing groups have for 1981 against only \$406,000 previously, but both totals were found their profits squeezed in a vice. notably in road transport and

> But now, with the final closure of the lossmakers whose misfortunes had been burting group profits for some years, Flexi-Van is beginning to show the beneficial effects of Mr Rubin's new policy towards the ship container operations.

By leasing the container from a middle man rather than buy-ing it outright, the shipowner takes a considerable weight off his balance sheet and is freed from the problems of physical ownership. He need not concern

But the recession in world shipping has wroughl havon with this happy arrangement.

Mr Rubin's new policy concentrates on the more efficient use of assets: its first leg was the disposal of the lossmakers careo has been unloaded. Mr Lewis Rubin, president and now virtually completed, Mr chief executive of Flexi-Van. Rubin assures. The next step which claims the second place was 10 impose tighter control

National Distillers sells

stake in Taiwan group

NATIONAL DISTILLERS Cor- been suggested, however, that poration of the U.S. plans to the withdrawal may be due to sell its 43 per cent share in USI the company's recent lack of Far East (Taiwan), a major profitability. USI made net Taiwan petrochemical manu-losses of about \$7m in calendar facturer, and has already asked year 1981 and there are fears

Anionio Chong, chairman of USI, said that the as-yet-imapproved transaction involves some 74 million shares worth close to \$28m at current resiments in Taiwanese petro-

ment of Hong Kong has already The official reasons given agreed to buy the shares, he were varied, but most observers

Mr Chong declined to reveal the increasingly unfavourable the U.S. company's reasons for climate for petrochemicals disposing of its shares in USI, manufacturing due to materials

Flexi-Van aims to win battle for survival

truck rental.

The first quarter of this year hrought a sharp upswing in income from continuing operathe similar tolal for the first half of the year is \$16.8m comhimself with the location or half of the year is \$16.8m co future of the conlainer once the pared with \$7.3m a year ago.

that the losses will continue

The divestiture is notewarthy

because it follows hard on three

feel that the real reasons are

Federal Government. If the

court action is successful, it could lead to the biggest

government payout to a pen-

year. They could require an

injection of np to between

S60m and \$70m just to meet the minimum guaranteed pay-

ments to former employees and workers who had already retired, the company said.

Iveco's fortunes in the U.S.

have changed for the better since it concentrated mainly on

sion plan in recent years. The four pension plans were underfunded by about \$148.6m at the end of last

weak market

a halt. The criterion now is making cash." The decision meant that Flexi-Van will spend only \$40m this

year on new capacity, compared with \$160m in 1981, bringing a welcome reduction in interest charges which last year totalled \$55.5m.

Backing up the reduction in cash speeding have been changes in philosophy towards the management of shipping

Mr Rubin believes, from the ments concerned,

over the physical movement of financially orientated business the group's containers.

of the 60s when only the cost to the group's containers.
The cut in planned capital the customer mattered, to a Murdock, the multi-millionaire more service-orientated opera-entrepreneur who became chairexpenditure on further capacity meant, in effect, a reduction in let the first couple of plans go through," said Mr Ruhin, "but themselves now pay more attenin November I decided to call tio oto planning the physical movement of the containers around the world's shipping

The ship container leasing industry, which enjoyed a glittering track record a decade ago, has been hit hard by the recession in world ship. routes so that no earning time At Flexi-Van, this bas meant the development of a substan-tial computer complex in New largest group in the industry. group's 245,000 twenty foot the was raised equivalent (TVUs) containers. This is just saw profits plummet last year devised a stringent policy for survival, and plans to bold on tight until the world outthey command a better price than in the U.S. A search for new markets has

are beadquariered in London, although the international made bimself chairman, presi-nature of the husiness blurs the dent and chief executive.

Europe is a "well matured in world trade, market" in container ierms. For as Mr R market in container ierms. Greater hopes of expansion are pinned on Africa and the Far East, with the Important proviso that expansion hinges on heavy Investment in new con-

have the support of Mr David tion, where the practical trading man of Flexi-Van last Septembenefits to the customer rank ber-a move widely seen as a highest. The leasing companies defence of his stake of around one quarter of the group equity. But Mr Murdock has made it clear that Mr Rubin, who

became chief executive officer only a few months hefore Mr Murdock's arrival, remains figuly in the saddle. "I'm not going to he active in day-to-day management." was Mr ual computer complex in New management." was Mr Jersey which keeps tabs on the Murdock's reply when the ques-

This is just as well, because Some containers have been sold. Mr Murdock, whose business particularly in Europe where empire is run from Murdock Center. on Wilshire Boulevard. Los Angeles, is not known as a "hands off" operator. When he been given the highest priority. bought Cannon Mills, the Flexi-Vañ's substantial operations in Europe, Asia and Africa 5460m, he promptly turned it into a private company, and

lines of decision between Bolh Mr Rubin and Mr London and the corporate head-quarters in New York.

Bolh Mr Rubin and Mr Murdock will be watching eagerly for any sign of recovery

For, as Mr Rubin puts it, this has been a year for "surviving. sheel." Having achieved this, Flexi-Van hopes to be able to containers.

On heavy investment in new conThe industry is now changing.

On heavy investment in new container ports by the host governsion when the world outlook takes a turn for the hetter.

(This announcement appears as a matter of record only)



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UNION DE BANQUES ARABES ET FRANCAISES-U.B.A.F. (Bahrain Branch)

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Mitsubishi

By Lachlan Drummond in Sydney

Australia

A\$4.48m



US\$100,000,000

Floating Rate Notes due 1992

In accordance with the provisions of the Notes and the Agent Sank Agreement between The Kingdom of Denmark and Citibank, N.A., dated February 12, 1982, notice is hereby given that the Rate of interest has been fixed at 1176% pa and that the interest payable on the relevant Interest Payment Date, February 25, 1983, against Coupon No. 2 will be USS590.97.

By: Citibank, N.A., London, Agent Bank August 25, 1982

CITIBAN(

Johannesburg

/ Investment

(Incorporated in the Republic of South Africa)

UNAUDITED PROVISIONAL CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th JUNE 1982

5Consolidated

US\$7,000,000.00 MBI INTERNATIONAL NV

Guaranteed Floating Rate Notes 1986 for the 6 months 26/8/82 to 28/2/83

The notes will carry an interest rate of 113% per annum. Coupon value U.S.\$613.54.

Listed on The Stock Exchange, London

CONSOLIDATED INCOME STATEMENT

Profit after taxation ..

Profit before taxation

Outside sharebolders' portion of profit

Other net revenue

Consolidated profit

Profit attributable to ordinary shareholders Extraordinary item — excess of purchase price over net assets acquired

Profit attributable to ordinary shareholders after

extraordinary item
Retained profit at beginning of year

Distributable profit

Ordinary dividends

Transfer to (from) non-distributable reserves ...

Retained profit at end of year

Loans
Marketable properties and mining prospects

Fixed assets
Mining assets

Net current assets (liabilities)

Current assets Current liabilities

Ordinary shareholders' interest
Preference share capital and share premium

Outside shareholders' Interests in subsidiaries ... Deferred taxation

Long-term liabilities

Total number of ordinary shares issued
Equity earninga excluding the net amount of surplus on realisation of investments and other assets less provisions and before

extraordinary item --per share
Ordinary dividends per share
Net asset value per ordinary share at 30th June
based on market value or directors' valuation

of investments and properties

sbare, which is the same as last year.

DIVIDEND NO. 113

Date of Payment

year ended 30th June, 1982.

Registers close (dates inclusive) from

Head Office and Registered Office: Consolidated Building

Cor. Fox and Harrison Streets

Johannesburg 2001 (P.O. Box 590

Jobannesburg 2000)

24th August, 1982

Last date for registration

during the year to senior members of the staff.

Currency conversion date (for payments from London)

Income Tax will be deducted from the dividend where applicable.

subsidiary companies over the net book value has been included.

Final of 470c (1981 - 470c)

CONSOLIDATED BALANCE SHEET

Interim of 130c (1981 - 130c)

Preference dividends

Agent Bonk: Notional Westminster Bonk P.L.C., London

Downturn at Hongkong and Shanghai Banking raises dividend

BY OUR HONG KONG CORRESPONDENT

BY OUR SYDNEY CORRESPONDENT

owned petrol group, posted record net profits of A\$43.46m

profits were A\$32.48m.

The contribution from refin-

ing and marketing was about 60 per cent of profits in 1981-82 compared with 70 per cent pre-

NET PROFITS at Mitsubishi Motors Australia dropped from A\$1.15m (US\$1.12m) In the half year to attribuable profits-after tax cents. June despite the Japaneseowned company taking a larger and undisclosed transfers to inner reserves-to HKS 815m share of an extended market. Sales grew by 20.6 per cent

from A\$235m to A\$284m on the of 1982. The bank, whose subsidiaries now include the 51 per cent owned Marine Midland of tha back of increased deliveries, but tha benefits were outwelghted by rises in labour, component and production costs, higher U.S. said net profit for the group rose to HK\$ 1.031bn. interest charges, and increased against HRS 891m Of this amortisation provisions flowing HK\$ 216m was attributable to from the introduction of tooling minority shareholders of Marine for new car modela.

The company's registrations grew by 5.4 per cent to 35,759 hased Hang Seng Bank. units outstripping the industry cents per ahare, against 15.5 rose from cents adjusting for an earlier HK\$14.56bn. growth of 4.5 per cent. Its market share went up from 11.5

per cent to 11.6 per cent. The tax charge was again minimal at A\$36,000 against A\$16,000 while depreciation charges on plant and machinery jumped from A\$3.99m to A\$6.47m as a result of the new

115.0 9.6

105,4

72.2 17.1 16.1

7.4

98.0

185.9

(12.1)

198.0

179.1

33.4 11.0 85.4 39.7 39.7

494.2 454.5

388.3

251.7 80.0 5.7 11.5 39.4

388.3

7.150.000

R97.8m

R122

On behalf of the board

25th September, 1982 1st October, 1982

By order of the board

M. J. Meyer

11th October, 1982

G. H. Waddell ! Directors

64.7 32.8 7.0

11.1

218.9

56.6 15.4 131.1

59.2 (4.0)

355.4 260.0

476.6

80.0 10.3 17.2 62.0

476.6

7.299,600

R86.1m

Profit attributable to ordinary shareholders of RS6.1m was 12.1 per cent lower than

A final dividend of 470c has been declared to make a total for the year of 600c per

In terms of the provisions of the share incentive scheme, 149,600 shares were allocated

In calculating the net asset value per share tha excess of directors' valuation of

A final dividend (No. 113) of 470 cents per share in the currency of the Republic of South Africa has been declared payable to holders of ordinary shares in respect of the

The dividend is declared subject to the customary conditions which can be inspected at

or obtained from the company's Johannesburg office, the office of the London Secretaries (Barnato Brothers Limited of 99, Bishopsgate, London EC2M 3XE) or the London Bearer Reception Office (40 Holborn Vladuct, London EC1P 1AJ). Holders of share warrants to bearer should present Coupon No. 113 to the London Bearer Reception Office.

South African Non-Resident Shareholders' Tax at the rate of 13.25% and United Kingdom

THE Hongkong and Shanghai one-for three scrip issue. Earn-Banking Corporation (HSBC) ings per share on the same nationally, roughly 80 per cent reports an 18.1 per cent rise in basis, rose to 39 cents from 35 of earnings still come from

Mr Michael Sandberg, the chairman, said the banking industry was faced with many (US\$ 135m) for the first balf difficulties and the second half would not be easy. But, he remained confident of being able to recommend a final dividend of 37 cents per share.

During the period HSBC's gross assets increased to HK\$329.22bn compared with an Midland and the Hong Kong- audited level of HK\$304.21bn in December last year. Share-The interim dividend is 18 bolders funds, meanwhile, ents per share, against 15.5 rose from HK\$14.06bn to

Uranium operations boost Ampol

Ampol's shared ownership of

for the year compared with

AMPOL, the only Australian lower on squeezed margins.

by new petrol group, posted Uranium operations, through

(US\$ 42.5m) in the year to the Nabarlek project with June as refining and market Pioneer Concrete Services—operations took a back seat to which in turn controls Ampol—

uranium and other interests. contributed 21 per cent of net For the previous nine month profits compared with 16.7 per period to June 1981 Ampol's cent in the previous nine

months.

Despite its growing rola interbasis, rose to 39 cents from 35 of earnings still come from Hong Kong. Proceeds from last year's HK\$2bn rights issue also had an impact. Last year's interim figures reflected less than two month's worth of investment income from the first HK\$1bn tranche, whereas earnings this year take account of the entire amount for the full

> A slower pace of economic growth in Hong Kong, has led to a slackening in demand for loans. Particularly badly hit, it is eatimated, were profits from HSBC's wbolly-owned corporate finance subsidiary, Wardley.

A\$599m for the previous nine

months. Turnover is expected

Ampol Exploration chipped in 10 per cent of overall group

earnings. The 49 per cent owned exploration and produc-

tion offshoot boosted its profit

from A\$10.48m in the nina months of last year to A\$19.45m

to reach A\$1bn this year.

Fuji Bank buys out Kleinwort Benson joint venture

BY RICHARD C. HANSON IN TOKYO

leading city banks, is arranging to acquire all the capital of its London based finance subsi-

Negotiations are in the final stages for Fuji to buy Klein-banking group. Both parties wort's remaining 30 per cent emphasise that the break-up of share in FIF, which began as a 50-50 venture in 1973. Fuji, which has been given the gu ahead by the Japanese authori-

by raising its capital, currently fl.2m, to about £3m.

For both partners, FIF has lost much of its original attractiveness as a joint venture. In the early 1970s, Fuji, along with several other Japan. ese commercial banks, formed a number of links with mer-chant banks in Europe, with each partner seeking a beiping hand into the other's home market, in the form of joint

For the Japanese banks the early advantages were two-fold. In the first place, the Ministry of Finance had refused to allow banks to establish 100 per cent owned overseas subsidiaries involved in the securities busi-ness: This reflected the legal months.

Thia points to a profit contribution of AS9.2m compared with AS5.46m last time and a total annual profit from Naharlek of A\$18.4m after tax.

Ampol's asies were A\$848.12 paid for the previous nine wall between securities companies and banks at bome. In addition, most Japanese banks simply lacked the experience to go it alone in the London

FUJI BANK, one of Japan's For Kielnwort, and other leading city banks, is arranging Western merchant banks, a lie up with a Japanese bank meant finance subsi-international market. Such introductions Finance, a joint venture with have become less important the merchant bank Kleinwort over the years. There are indeed advantages to not being too closely field to any single the joint venture does not reflect any weakening of friendly

. For its part, Fuji is now well ties, intends to strengthen FIF established, in the London by raising its capital, currently market and Kleinwort has long since ceased to have a direc participation in managing FIF although it is represented on the board. Several years ago, the Kleinwort Benson was dropped from the company's name. Of more importance, however, there has been a gradual relaxation in the ownership of foreign asset rules by tha authorities in Japan.

Last year, the Finance Minis-try allowed Sumitomo Bank to he the first to take up 100 per cent of the shares in its under writing joint venture then known as Sumltomo-Whiteweld. In addition the subsidiaries have gradually been able to

expand their activities.

The bank's subsidiaries are stil dislcouraged from taking positions in public Eurobond issues. Thay are, however, active in managing private placements.

Profit trend

weakens at

By Our Financial Staff

Ruetgerswerke

FIRST-HALF sales at Ruetgers-

werke, the West German chemical and sealant producer, totalled DM1,15bn (\$0.48m), topping the corresponding 1981

level by 3 per cent. However,

order inflow as well as earnings fell behind the pace of the first

half of last year. Looking ahead, the company does not expect a fundamental

and lasting recovery in key markets in the current balf. It

rules out any second-half im-

viously, with the refining side having a record year while the marketing operation turned Company, Limited Swiss watch

By John Wicks in Zurich

OVER 500 further jobs are to be scrapped by Asuag, Switzer-land's leading watch industry group. The move, which affects components production in the group's Ebauches division, is over and above a move announced this March to phase out 1.300 jobs.

In a letter to sharebolders in June, Asuag said that there had

40 per cent over the correspond-ing period of the previous year to SwFr 159.4m (\$77m) out of a group total for the period of SwFr 420.5m.

AMIC payout below expectations

BY OUR JOHANNESBURG CORRESPONDENT

group Anglo American, did not Attributable profits were come up to expectations in the further affected by higher insix months to June. When terest and tax. The company AMIC was merged with De Beers Industrial at the start of for the rest of the year. Profits this year it was said that though of AMIC'a subsidiaries and earmings per share would be associates are expected gene-slightly diluted the dividend rally to be lower than last year would increase at least in line although this is not expected to with inflation. As it is, the merged company has produced first-half earnings of 232.4 cents a share against 305.8 cents in the first half of 1981 and the interim dividend has been in-

Though profit rose by 36.3 per cent to Sustained pressure on profit been converted into ordinaries R151.6m (\$133m), if the new margins was experienced and reserves should be strong subsidiaries—Highveld Steel because of a sharp rise in the enough not to require full reand Vanadium and Natal Tancost of funds and increased tention of earnings.

50 cents:

ANGLO AMERICAN Industrial ning Extract Company—ara lending rates could not compended to the South African mining 4.2 per cent lower. The bank's portfolio continues

is not optimistic on prospects prevent a higher final dividend from being declared. Last year's final payment was 115 cents. • TRUST BANK, South Africa's creased to only 55 cents from transfers to hidden reserves by

19.4 per cent in the year to first-half trading June to R30.1m (\$26.4m).

The bank's portfolio continues

to exercise a negative infinence on profits despite a buoyant property market in the year However, the bank sold several properties at acceptable prices and increased rental income. Group assets increased to R3.3bn from slightly more than

R2.5bn while advances rose to R1.02bn from R981,000. Attributable earnings per share rose to 47.98 cents from 41.21 cents. An ordinary divififth largest commercial bank, dend has not been declared increased profits after tax and though the bank reaffirms its in 1985. By that stage the bank's preference shares will have been converted into ordinaries

provement in the highway and building businesses, adding that the outlook is also poor for products used in non-ferrous metals production and in the iron and steel industries. Tha company attributes its sales rise to price increases initiated to cover rising costs

as well as to a shift to higher quality products. Volume deliveries "just about matched" corresponding 1981 levels when adjusted for inflation. The decilne in first-halft order inflow is blamed on weak

demand from public highway and road authorities as well as recessionary effects on chemical feedstock customers. Orders for building materials, plastics and plastic parts for automobiles and electronic equipment improved.

First-balf earnings depressed compared to 1981 levels by rising costs and uofavourable winter weather as well as by weak demand.

group plans job cuts

As many as 350 of the new

redundancies will be accounted for hy the granting of early pensions in Ebauches plants in the Grerchen area and in western Switzerland. Of the remainder, a total of between 130 and 150 employees at two movement factories will have to find work elsewhere.

not been the improvement in the watch market expected last have been seriously affected in

the components divisions.

In the first four month of 1982, sales of the Ebauches division had dropped by nearly Last week, SSIH, Switzer-

land's other major watchmaker, announced blg lay-offs under plans to accelerate its 1982 programme of labour reduc-

Schering lifts interim sales:

BY LESLIE COLITT IN BERLIN

pharmaceuticals and chemicals year matching that of the first newly-founded fine chemicals group, said sales in the first six months. Profits, it said, division.' balf of this year rose 6.8 per would thus be "satisfactory." The company noted it had not cent to DM 1.86bn (\$756m), Profits, while undisclosed, were said to be at the level of the same period in 1981.

Group profits for the whole of last year were DM 100m, compared with DM 78m. Schering expects a rise in

SCHERING, the West German turnover for the rest of this traditional area and in the The company noted it had not

The company said its had completed the sale of its subsidiary, Isar-Rakoll-Chemie and that in the light of the connegotiations are under way for the sale of two other subsidiaries, Lechier Chemie and results as adequate.

The company noted it had not expected its growth rate this year's, but sidiary, Isar-Rakoll-Chemie and that in the light of the connegotiations are under way for tinued weakness of domestic and the sidiaries, Lechier Chemie and results as adequate. Hamm-Chemie. Schering intends

Parent company's sales abroad
to concentrate resources in its rose 12.8 per cent to DM 678m,

sea containers

Sea Containers Ltd. \$200,000,000

Revolving Credit Facility

The First National Bank of Boston

Arranged by

Funds provided by

Bank of Montreal

Chemical Bank

Continental Illinois National Bank and Trust Company of Chicago

Deutsche Bank Aktiengesellschaft

First Interstate Bank of California

National Bank of North America

The First National Bank of Boston

Manufacturers Hanover Trust Company

National City Bank



INTERNATIONAL APPOINTMENTS Vice president for ITT Mr Harold W. Miller has been elected vice president of INTERNATIONAL TELEPHONE AND TELEGRAPH CORP. In addition Mr Pardue, who join American General group has been serving as presented the president of INTERNATIONAL TELEPHONE AND TELEGRAPH CORP. In addition

to his election as corporate vice president, Mr Miller, who previously served as group general manager of the telecommunications systems group, bas been named group executive ITT Telecommunications—North America. Headquarters for this newly formed group will be at ITT facilities in Raleigh, North Carolina.

Mr Jan Beekman haa been

appointed marketing director for GENERAL ELECTRIC COM-PANY of the U.S. European electronics operations, Dundalk, Ireland.

• C.E. LUMMUS, a unit of Combustions Facilities 120

Combustion Engineering, Inc., has appointed Mr Richard L. Akin as manager of oil and gas sales for the westarn hemisphere. He will have overall sales and co-ordination respon-sibility with CE Crest and other husiness umits for oil and gas production projects. He will contioue to be based at CE Lummus' Houston division. Mr Akin joined Lummus in 1977 as Business Development Manager, Southwest U.S. Sales in Houston Ricardo R. Alvarado, a public Ricardo R. Alvarado, a public affairs representative in Washington, D.C., has been elected vice president, government relations of THE SIGNAL COMPANIES, INC. Mr Alvarado joined Signal's Washington, D.C. office on August 1 and will replace Mr Frank P. Sanders, wice president who will retire vice president, who will retire this year. Mr Alvarado was corporate director, government affairs for Lockheed Corp. in Washington, D.C.

William B. Pardne has been

elected to the newly-created position of executive vice-president of AMERICAN GENERAL CORP. He will be responsible for administrative operations of American General Corporation, the parent company of the American General group of financial service companies. of financial service companies. Mr Robert O. Purcifull is succeeding Mr Pardue as president and chief executive officer of the American General Life Insurance Company.

Mr Pardue, who joined the American General group in 1966 has been serving as president of American General Life Insur-ance Company since March 1980. Mr Purcifutl, the new president of American General Life Insurance Company, joined American General in May 1981 as a senior vice-president in the life division of the parent соправу.

president, Asia/Australia in the International operations group; Mr Fred G. Weiss, who continues as corporate treasurer, and Mr Stephen A. Wilgar, who is president, Canada/Latin America In international operations the DAIMLER-BENZ AG has made

changes in its U.S. truck manufacturing subsidiaries from November 15: Mr Peter E. Rnpp, president of Euclid, Inc. Cleveland, has been named vice-chairman and president of Freightioer Corp. and of Mercedes-Benz Truck, both located in Portland, Oregon. Mr Rupp succeeds Mr Ronald E. Burbank, president and chief executive officer of Freightlines Corp. and Mercedes-Benz Truck who will relinquish all duties associated with those companies on November 15:

• Mr David M. Hall has been sidiary. Mr Adrian Thompson has replaced Mr Hall as group

apointed vice-chairman of the board of BALOISE HOLDING, the parent company of the Baloise insurance group of Basle. Dr Franz Luetolf and Mr Josef Zumstein bave joined the board.

WARNER-LAMBERT has elected three corporate vice presidents; Mr Gustavo J. Figuelredo, who continues as

Mr Juergen E. Schrempp, a member of the board of manage-ment of UCDD (Pty.), an affi-listed company of Daimler-Benz in South Africa, will succeed Mr Rupp as president of Euclid. Mr Rupp remains vice chair-man of Euclid and chairman of the Euclid executive committee.

appointed managing director of VISIONHIRE (PTY), Electronic Rentals Group's Australian sub-

treasurer.

• Mr Guy F. Sarasin has been

rend

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Boost for the Bahrain Diplomat

BY MARY FRINGS IN BAHRAIN

A KUWAITI investment group only half their par value has acquired a controlling interest in Bahrain's National Hotels Company, which owns the 280-room Diplomat. The hotel is managed by Trusthouse Forte, the irrepressible 73-year-. old chairman of which Lord February, accompanied by a Palm Court orchestra, a pair of rather fresh-faced "Beefeaters" and a mock-up of the British

Lord Forte would have approved of the panache with which Abdul Wahab Al Tammar and his delegation from Kuwait Foreign Trading, Contracting Investment · Company (KFTCIC) set the seal oo their \$18.5m injection of capital, They flew in by private jet to a late-night shareholders' assembly, atteoded a board meeting on which they now hold four of the nine seats, and left "after midnight, just as cannonfire signalled the rising of the new moon and the end of the fasting month of Ramadan, The Diplomat faces the future, if not free of debt, at least with a

KFTCIC has been involved with the National Hotels Company since 1978, when it negotiated a rescue package of oearly \$30m in medium and loog-term loads, and took up a \$3m issue of new sbares after the market failed to respond. The lack of enthusiasm oo the part of local investors was understandable. Hyundal, the South Korean contractors, had walked off the Diplomat site months earlier leaving the building only 40 per cent com-plete; the gaunt steel skeleton as a monument to the risks of trying to build a \$40m project on equity capital of uoder \$8m, and the existing sign of returning confidence were being quoted at was the extent of taking up of

comparative figures for U

Diamond account: 4...

after tax of associated

companies -----Net surplus on realisa-

tion of investments Surplus on realisation of

Prospecting and research

General charges
Interest payable

Amount writtee off fixed

State's share of profit

uoder miniog leases

Profit after tax

Profit attributable to out-side sharebolders io subsidiaries

Dividends on preference

Net profit attributable to

Share of extraordinary

Dividends on deferred

Retained profit

Earnings per deferred

Dividends per deferred

companies

shareholders

extra0rdinary

associated

extra-

deferred before

sbare

share :

Notes:

~ - 7

ordinary items

fixed assets

investment locome

The second restructuring of the Bahraini public joint stock company, to boost its capital from \$14.5m to \$37m, and to permit KFTCIC to increase its stake from 22.5 per cent to 58.5 per cent required the approval Forte, was present at the long of the Cabinet, which was delayed ceremonial opening in granted in March. At the same time, the Government agreed to put in an extra \$2.25m to maintain its own shareholding at 10

of the NHC general manager, Abdul Rahman Morshed: "We were expecting nothing at all." Immediately before the new issue, NHC shares were trading at 10 per cent below par.

While much has been made of the "brotherly support" for Bahrain from a fellow-member per cent, while the founding of the Guf Co-operation Council, chairman, Ahmed Abdulrahman the chairman of KFTCIC is too the chairman of KFTCIC is too Al-Zayni (who is to cootinue in shrewd ao investor to put office despite the Kuwaiti politics before commercial

The Diplomat Hotel in Bahrain is being developed as a luxury hotel, under the management of Trust House Forte of the UK. Past vizissitudes of the owners. Bahrain's National Hotels Company, have been lightened by the taking up of a controlling interest by a Kuwait investment group. Cannon-fire, the rising of the new moon and the ending of the fasting month of Ramadan ushered in the new regime

le beers

Interim Report and Declaration of Dividend

family also runs the well-estab-lished Delmon Hotel in the beart of the business district, is known to have been in the market for the company's shares when prices were at their lowest and the new purchase probably brings his holding to more than \$4m. Kuwaiti faith in the long-term prospects of National Hotels Company also brought io some small additional funds; \$260,000 from Bahrain's Civil Service pension \$200,000 from the National Import and Export Company, and \$26,000 from the Insurance Company. Bahraio Perhaps the most encouraging

The following are the uoaudited consolidated results for

and for the year eoded 31st December 1981.

the half-year ended 30th June 1982 together with the

Half-year

ended 30.6.82

91.3

152.3

1.2

376.5

25.5 7.0

81.1

295.4

37.8

37.8

257.6

3.6

0.9

4.5

14.0

239.1

45.0

194.1

1. Io comparing investment income and the share of

retained profits of associated companies it must be borne in mind that De Beers Industrial Gorporatioo Limited

ceased to be a subsidiary following its merger on 1st January 1982 with Anglo American Industrial Corpora-

R mililons

Half-year

R millions

ended 30.6.81

201.4

53.2·

395.7

27.1

8.5 13.4

49.0

346.7

75.7

5.4

81.1

265.6

10.7

0.9

11.6

254.0

254.0

.89.9

164.1

104.5

R millions

360.3

179.6

62.7

264:5

3.1

0.1

870.3

62.5 15.3 38.3

0.4

116.5

753.8

97.3

3.8

101.1

652.7

22.6

24.4

628.3

179.9

448.4

174.6c

majority) added another \$1.3m. sense. The feeling is strong in Mr Zayani, a promioent busioess circles that if the ahraini merchant, whose Kuwaities think a project is worth backing, it will make money, though the immediate prospects may seem otherwise

In competition with Bahrain's other new luxury hotels, the THF Diplomat has so far proved to be an "also ran." The Sheraton and the Regeocy Inter-Cootinental are both closer to the city ceotre and eojoy the cream of the VIP market. Official Government guests usually stay in the Regency, in which the Prime Minister's soo, Shalkh Ali bin Khalifa Al Khalifa, is a major shareholder, while the military use the Sheratoo, which is owned by the Heirs of the Amir.

In June, the Diplootat was

tion Limited, which became a 25 per cept owned asso-

ciate of De Beers on that date. In order therefore lo facilitate the comparisoo of the Group's results, the

Group's share of the retained profits of its associated

companies is now grouped with jovestment income and other loterest.

It should oot be assumed that the results for the half-year coded 30th Juna will be repeated in the half-year endlog 31st December, since income does not necessarily

Soles by the Central Selling Organisation (CSO) of the smaller sizes and lower qualities of rough diamonds have continued at satisfactory levels, consistent with continued demand at the retail level, but there has as yet been on

improvement in sales of larger sizes and better qualities.

The CSO bas therefore continued its policy of withholding from sale those qualities that are not in immediate demand

and producers are operating on the quota system.

Stocks and bank credit in the cutting centres have coo-

tinued to fall and shortages have begun to appear in certain categories of rough so that a sound hasis exists for an improvement io CSO sales as general worldwide economic conditions improve.

5tocks held by the CSO are expected to rise this year by some US\$300 milioo (though the increase io Rand will

be higher if the Rand/Dollar exchange rate remains lower than it was at the end of 1981). At 30th June 1982 short and medium term borrowings were R531 million and other oet current assets R321 million, compared with R349 million and R263 million respectively at 31st December 1982 million and R263 million respectively at 31st December 1982 million and R263 million respectively at 31st December 1982 million and R263 million respectively at 31st December 1982 million and R263 million respectively at 31st December 1982 million and R263 million respectively at 31st December 1982 million and R263 million respectively at 31st December 1982 million and R263 million respectively at 31st December 1982 million and R263 million respectively at 31st December 1982 million and R263 million respectively at 31st December 1982 million and 1982 m

ber 1981. Loog term borrowings were R59 million at 30th June 1982 compared with R64 million at 31st December

1981. Such borrowings are low in relation to the overall assets of the Group including the substantial investments

outside the diamond business valued at some R2,400 million at 20th August 1982. The Group has bank facilities sufficient

Declaration of Dividend No. 125 on the Deferred Shares An interim divideod in respect of the year eoding 31st December 1982 being dividend No. 125 of 12.5 cents per

share (1981: 25 cents) bas been declared payable to the bolders of defarred shares registered in the books of the

Company at the close of business on 24th September 1982 and to persons presenting coupoo No. 69 detached from deferred share warrants to bearer.

A notice regarding payment of divideods on coupon No. 69 detached from share warrants to bearer, will be published

in the press by the Loodon Secretaries of the Company on or about 17th September 1982.

The deferred share transfer registers and registers in members will be closed from 25th September 1982 to 8th October 1982 both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom transfer

offices on or about 4th November 1982. Registered share-bolders paid from the United Kingdom will receive the United Kingdom currency equivalent on 27th September 1982 of the rand value of their dividends (less appropriate taxes). Any such shareholders may, however, elect to be paid in South African currency, provided that the request

is received at the Company's transfer offices in Johannes-burg or the United Kingdom oo or before 24th September

The effective rate of non-resident shareholders' tax is

The dividend is payable subject to cooditioos which can be

inspected at the head office and Londoo office of the Company and also at the Company's transfer offices in Johannes-

PHILIP OPPENHEIMER

For and oo behalf of the board H. F. OPPENHEIMER

INTERIM DIVIDEND

accrue evenly throughout the year.

the rights issue by public sub-less than a third full and the scribers. This amounted to only THF manager, Pierre Vacher, 10,810 shares worth a total of projects an overall occupancy \$28,000 at par, but in the words for 1982 of 40 per cent. His target for the second year of operation is 55 per cent, and

efforts-appreciably more intensive than in the run-up to the "soft" opening last December -are being made to project the hotel's image and increase its market share. will enable

Despite the increase in capital, which will enable National Hotels Company to pay off the KD 4.5m (\$16m) medium-term loan provided by KFTCIC, Guif International Bank and a group of Kuwaiti financial institutions, as well as to bring its other interest payments up to date, it is going to be an uphili struggle towards break-even point. Somehow, the company must service the remaining 10-year loans, at a cost next year of some \$1.3m.

THF came oo the scene as far back as 1975, when a contract was signed with National Hotels Company to manage both the Diplomat and a more modest businessman's hotel, the Al James. The site for the major project had just beeo reclaimed from the sea, and was the government's contribution in kind to the company's capital. Contruction of the 16storey hotel was to drag on for six years, and in the process many of the more luxurious ameoities were relegated to phase-two.

At the Diplomat opening in February, a confident Lord Forte praised the beauties of Bahrain, the fortitude of the botel's owners and the spleodic choice of site. Only the Prime Minister hinted at past vicissi of a journalist to remark: "This time you are going to write something good."

August 25,1982

as a matter of record only.

ITT Antilles N.V.

Curação, Netherlands Antilles

DM 100,000,000 91/4 % Deutsche Mark Bonds of 1982/1992

unconditionally and irrevocably guaranteed by International Standard Electric Corporation New York, New York, U.S.A.

Issue Price:

Commerzbank

91/4% p.a., payable annually on August 26 August 26, 1992

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Handelsbank N.W. (Overseas

Industriebank von Japan (Deutschland)

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£75,000,000 Guaranteed Loan Stock 2008. unconditionally guaranteed, as to payment of principal, premium (if any) and interest, by

The Republic of France

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County Bank Limited

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Société Générale Bank Limited

Application has been made to the Council of The Stock Exchange in London for the Stock to be admitted to the

In accordance with the requirements of the Council of The Stock Exchange in London, £7,500,000 nominal amount of the Stock will be available to the market on the date of publication of this advertisement. The Stock is payable as to £20 per cent, of the nominal amount on accaptance and as to the balance of the issue price not later than 3 p.m. on 24th November 1982.

The coupon and issue price will be determined, as provided in the Placing Memorandum, at 3 p.m. today, and will be announced later today.

Particulars of Electricité de France and the Stock, including the coupon and issue price, will be available from Extel Statistical Services Limited on 26th August 1982, In the meantime, and up to and including 9th September 1982, particulars may be obtained during usual business hours on any weekday (Saturdays and public holidays excepted) from:-

W. Greenwell & Co. Bow Bells House **Bread Street** London EC4M 9EL

25th August 1982

Kleinwort, Benson Limited 20 Fenchurch Street London EC3P 3DB

Phillips & Drew Lee House London Wall London EC2Y 5AP

Copies of this report will be posted to all registered shareholders

Head Office: 36 Stockdale Street, Kimberley, South Africa.

London Secretaries: Anglo American Corporation of South Africa Limited, 40 Holborn Viaduct, London ECIP 1AJ. Transfer Secretaries: Consolidated Share Registrars Limited, 62 Marshall Street, Johannesburg, (P.O. Box 61051, Marshalltown, 2107) Charter Consolidated P.L.C., P.O. Box No. 102, Charter House, Park Street, Ashford, Kent TN24 SEQ.

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11.001 per ceot.

25th August 1982

hurg and the United Kingdom.

California expects big

CALIFORNIA expects another large almond crop this year with the Californie Livestock and Crop Reporting Service predicting 365m meat-pounds—the third largest ever. This follows a record crop in 1981, an 11.2 per cent gain in exports and a 21 per cent growth in U.S. domestic consumption of almonds in the eeason to July

Announcing the figures, the California Almond Growers Ex-change said it expected U.S. consumption to double within the decade to reach one pound

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 GOVERNMENT subsidies rorth \$29m to cocoa planters in the past season should allow Cameroon to reech its production goal of 139,000 tonnes a year by 1986, 20,000 up on 1980/81, the country's Economy and Planning Minister told industry officials yesterday.

● ZINC production in Europe fell to 137,400 tonnes in July from 143,200 tonnes in June. compared with 151,700 tonnes in July 1981, provisional figures from the European Zinc Institute show. July closing stocks of primary zinc at smelters were unchanged from June'e 195,200 tonnes and compared with 132,000 in July 1981. Stock figures exclude the UK and Yugoslavia.

• AUSTRALIA'S drought-hit 1982-83 wheat crop is likely to produce a maximum 10m tonnes, Australian Wheat Board chairman Sir Leslie Price, said yesterday. This compared with earlier forecasts of between 10m and 11m and the 1980-81 crop of 16.4m, the second largest

 TAIWAN'S first rice cross (January to August) exceeded 1.24m tonnes, up on the tar-geted 1.21m tonnes, the Provincial Food Bureau said. The target for the second crop (September to December) has been set at 891,000 tonnes with the target for the whola year

Future Markets for Cooper: organised by Copper Develop-ment · Association · and -Commodities Research Unit Limited in conjunction with Deutsches Kupfer-Institut, is to take place during LME week, on Wednesday, October 13, et the Inter-continental Hotel, London, SOUTH AFRICA'S official 1981/82 maize crop estimate has been raised to 8.43m tonnes from the 8.39m forecast last

Stronger pound almond crop lowers copper

RASE METAL mericous showed before the end of the year, the After initially moving up, copper came under selling pressure and the higher grade cash price closed £14 lower at £856 a tonne. Aluminium, lead, nickel and zinc also ended

The rise in the value of short lived. sterling against the dollar, was The fluct the main depressing influence. on London market prices. But raders were also emphasising that there was no sign yet of any sustained consumer demand Indeed copper was hit by reports of the Chinese reselling to the market some of its recent.

The cash price of nickel came back heavily following freer offerings of nearby supplies, attracted at the higher levels. Cash nickel lost £115 to £2,830 while the three months quotation was £70 down at £2,777.5. A timely warning ageinst too much suphoria was delivered yesterday by Metals and Minerals Research Services. The

increasing signs of nervousness improvement would only be about the "boom" in the stock sustained if there was a signifimarkets and gold yesterday, cant recovery in consumption. .Metal markets, it claimed

were now entering a period more closely resembling 1976 to 1978, when prices rose strongly only to fall again. There was a real possibility that the predicted price recovery would be The fluctuations in the gold

market yesterday affected other precious metals. The sterling price of free market platfoum fell by £2.30 to £185.50 a troy ounce, although the dollar equivalent was only \$0.50 down

The London bullion spot price for silver reached the highest level since February at the morning fixing, rising by 13.25p to 464.55p a troy ounce. But the market lost ground in the

Tin was the exception yester-day. Cash tin gained a further £185 to £7,395 e tonne. market was boosted by further support buying believed to be on behalf of the buffer stock of company said that while the the International Tin Council, "bear" trend in metals of the as well as speculative interest past 21 years had been broken, encouraged by forecasts with much higher prices likely higher price levels,

Agreement reached to cut rubber supply

KUALA LUMPUR - The Asso holders. ciation of Natural Rubber Producing Countries bas reached agreement in principle on measures to hold back 350,000 . tonnes of natural rubber from the world market over the second half of the year, dele-

vate sources said. But a statement issued at the on that use of yield stimulants Conference on Present and end of a two-day meeting bere and accelerated replanting. said-political elearance bad to be obtained from the respective major producing countries

Indonesia and Malaysie were expected to convene a ministerial meeting soon to enable them to take concerted action to provida relief to the rubber industry, particularly small Reuter

. This week's meeting followed an emergency meeting of the association in May.

Some of the measures to cut output proposed at the May emergency meeting included tapping holidays," increased national stock holdings, a ban The statement yesterday said

governments, before any orga- indonesia. Thailand and Malaynised individual action could be sia-bad already begun to
taken. The statement said the six conditions. Indonesia, for member countries — India, Sri example, had curtailed produc-Lanka, - Thailand, - Singapore, tion from smellholders. Thailand, it added, apart from giving increased incentives for accelerated replanting, was also financing alternative agricultural activities for small farmers.

Japanese to boost metals stockpile

TOKYO - Japan plans to increase its stockpila of 11 rare metals, including nickel and chrome, in a five-year project, beginning next April, the Ministry of International Trade and-Industry said, yesterday.

Japan's present stockpile of rare metals is enough for 10 days' cons but the new project, if approved by the Finance Ministry in budgetary allocation talks due to start next month, will raise the amount to 60 days' supply by the end of fiscal year 1987.

The 11 metals are nickel, chrome, tungsten, cobalt, molybdenum, niobium, manganese, palladium strontium, antimony and vanadium. The buying is to be undertaken by the semiofficial Metal Mining Corpora-

The corporation plans to borrow Y12.8bn (\$50m) each year from Japanese commer-cial banks to finance the prowhile the ministry will pay the interest on the borrowings and warehouse costs.

EEC offers aid for India tobacco

By D. P. Kumar in New Delhi

THE EEC is willing to assist India in a project to produce, process and manufacture tobacco for export to the com-

Mr Geoffrey Charatan, direc tor-general of the EEC's De-velopment Fund said in New Delhi that the project should be within the framework of the Community's assistance to India. He spoke at a reception organised by the Indian Tobacco Board for a nine-member West German and EEC delegation. which had visited tobacco producing centres to explore tha possibilities of importing Indian tobseco to West Germany. Welcoming the offer of EEC

assistance. Mr C. Venkataraman, India's Commerce Secretary said that it was not beyond the capacity of India to produce end manufacture the type of tobucco needed by West Ger-

Although West Germany is

MARKET PROFILE/COFFEE

Surplus threat builds up

BY A CORRESPONDENT.

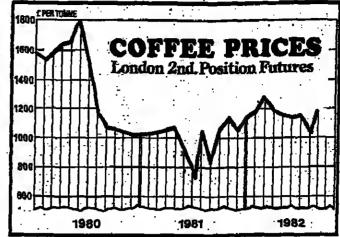
SURPLUS THREAT BUILDS AS A mild winter draws to a close in Brazil, and the risk of damaging frosts recedes, the loog-range forecast for the world coffee market looks gloomy.

Feiling some late climatic disaster, Brazil is set to gather e 1983 harvest of some 30m bags (60 kilos each), a prospect which could spell ruin for tha faltering price support strategy of the International Coffes Organisation (ICO) threaten the existence of the coffee pact itself after Septem-Since the catastrophic 1975

frost, which reduced the following year's crop to a mere 6m bags, they have struck no less than four times in seven years. In fact, the than four times in seven years. In fact, the Government has The crop just harvested, little incentive to encourage a damaged by frost and, more switch to other crops, Although recently, rain, totalled 17m coffee returns are low at pre-

duction at the 30m-bag level, leading primary product export Since 1975 they have invested earners. This year it is expec-U.S. \$1bn in restoring and ted to bring in replacing damaged bushes. The U.S.\$2-2.2bn about of lotal number of bushes is now of overall earnings. 3.3on, more than it has been since 1964

Though new plantings show of frosts have encouraged certain shift away from the other producers to increase vulnerable traditional growing their output, thus creating a regions in Parana and Sao situation in which the ICO's Paulo states—the Government market control strategy might bas just announced a three- soon founder under the weight Crs1.2bn programme to of the enormous world supply plant 10m bushes in the frost- surplus. Despite three 1m-bag free north-east-quality con- cuts in 1981/82 (October/ siderations have limited the September) export quotas— move, for the best beans still now reduced to an overall come from the more temperate 54.2m bags—the ICO bas proved



unable to keep prices within its target band of U.S.\$1.20-1.40 lb. Brazil has suffered quota cut like everyone else. When its sales cama to a virtual stand-

sent the prices of alternatives. Despite the recurrent crop like sugar and cocoa, do not losses, the Brazilian authorities even cover production costs. flave constantly proclaimed their intention of meintaing processing the process of alternatives, and cook and constantly proclaimed their intention of meintaing processing the process of alternatives, and cook and cook are the process of alternatives, and cook and cook are the process of alternatives, and cook are the process of alternatives. still in July, it had in effect to reduce its export price to get them moving again. But its sales to non-ICO markets this year have been disappointing, particularly with the cut in demand from its foremost Comecon customer, Poland,

Some drastic solutions to the However the regular shortproblem of over-supply have been mooted. A French dealer falls in Brazil's crop because suggested recently that an effective ICO was dependent on the destruction of come stocks of low-grade beans and some plantations. For the Brazilians the idea is not a novel one — in the 1930s they destroyed 78m bags of coffee,

(ICA) itself. With the pres agreement due to expire at the end of September, and its extension for a further year made conditional upon the prior nego-tiation of a new pact to take its place in October 1983, talks have so far failed to close the gap between different members aspirations.

The widest guil is that between producers over the vexed question of the distribution of export quotas. In the first round of talks in June a number of producers, including Colombia, rejected a scheme sponsored, smong others, by Brazil

For Brazil the question is crucial. Not only is it unwilling to settle for a quota of less than 30 per cent — its market share in the pre-1975 period was 35 per cent — but it reacted angrily to a proposal from the U.S. that quota supplies of top quality cuffee should be increased. This would boost the chare of Colombian mild arabicas and the "other" milds grown mainly in Central America, while reducing the share of the lower-quality unwashed arabicas produced by

Dissatisfaction course of negotiations so far has led Brazil's coffee officials to hint that they might with draw from the pact. The feel-ing in Santos coffee circles is that this is a viable option-in the price war that would follow the collapse of the ICA, Brazil's lower production costs and its lesser dependence on coffee 'At the moment a more likely earnings compared with most candidate for destruction is the competitors including Colombia,

Australian wheat chief warns of price war

TOOWOOMBA: QUEENSLAND is burdened by massive grain -The world whest market could suffer a price war between major grain exporting cut EEC prices in e sales nations unless the worsening struggle which would have a problem of subsidised exports can be resolved, Sir Leslie Price, chairman of the Australian Wheat Board (AWB) said yesterday.

Sir Leslie told the Queensland Graingrowers Association one of the world's largest im-porters of leaf tobacco, its buttle would be between the share of India's exports is EEC, which heavily subsidises negligible.

The U.S. might try to underserious long term effect on all grain exporters. This was because EEC export-subsidies were dangerously distorting the

Delegates were told by Sir Leslie that the only way such problems could be evoided would be for all exporters to continue discussions in an effort to find a solution acceptable to culture, Mr Seeley Lodwick, Reuter

market.

or if we fail, we'll be in the greatest price war you have ever seen," he said.

hanging over the world market ports, would eventually disappear, as United they had done in the past, "I China rough.

U.S. Under-Secretary of Agri- next Friday,

them all. "If we don't do that, said yesterday he is optimistic about grain sales to China following four days of talks with ver seen," he said. Citinese officials. China last year
The AWB chairman said he bought 8.4m tonnes of U.S. believed the current surpluses wheat, almost half its total im-

Under a long-term agreement China must buy up to 6m tonnes would therefore urge the U.S. of U.S. grain a year, and can not to take any premature take up to 9m tonnes. Purchases action. We can all ride out the above that require U.S. next 12 months, however approval. Further talks on grain sales will take place in Peking

LONDON OIL SPOT PRICES

Latest + or -CRUOE CIL-FOB (\$ per barret)

GOLD MARKETS

yesterday, gaining \$18 to \$411-5412. It opened at \$398-399, the lowest level of the device of the lowest level of the day, and touched a peak of \$414-415. The metal was fixed at \$411.50 the morning, and \$407.75 in the afternoon.

In Paris the 12; kilo gold bar was fixed at FFr 88,000 per kilo (\$401.95 per ounce) in the afternoon, compared with FFr 88,000 (\$400.23) in the morning, and FFr 83,200 (\$376.68) Monday afternooo. In Frankfurt the 124 kilo bar GAS OIL FUTURES

Month	Yest'day's	+ 01	Business Dons
August	# U.S. par tonna 307,00	+ 5,76	\$17,00-05, 0 0
Sept Oct.,	993,7e 294,2e	+0,75	287,50-84,00 288,00-84,54
Nov	296,00 287,26 298.00	+ 2.50	288,76-85,52 289,00-87,00 288,50-98,00
Jan Feb., March	297,25	+3.25	299,05
ApríiTurnover:	224,00	+ 7,50	one of 100
politice*	Sale And	324), 1	UUI, 10 MIO

Menth	Close	 	Dons
	& per troy		
Sept'mb'	931.00-5.0	±5.900	284.50-5.70
October	233.90-8.80	+5,664	287,80-1,80
	&84.00-5.75 856.00-7.78		254,90
Nacemosi	937.00-40.0	A 675	=
February.	969,00-1,98	+3,860	_
March	241.50-4,90		-
	r. 528 (248)	lots	of 100 troy
conces.			

Aug. 24 Gold Bullion (fine ounce)

Aug 25 Gold Coine Aug. 94

9419-420 (£2371₉-338) 5217-218 (£185-1261₉) 51101₉-1111₉ (£251₈-631₄) 5451₈-461₄ (£235₈-281₄) 64185₈-4193₄ (£2671₈-9375₄) 6973₈-981₄ (£261₈-562₄) Commodity Analysis

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CLUBS

The market opened higher and traded atrongly reflecting construing nervous-ness over Kharg latend and firm physicals. Towards the quite the market

Month	Yest day	+ 01	Business Dons
	# U.S.	-	
	par tonna		\$17,00-05,00
August	307,00		287.60.03.00
Sept	993.7e		
Oct	294,2e		288,00-84,54
Nov.	296,00		288,76-95,52
Dec	287.2e		289,99-97,00
Jan	298.00		288,50-98,00
Feb.,	297.25	+ 3.25	296,05
March	893,50	+ 3.50	285.50
April	224,00	+ 7,50	
Turnovera	9 318 /4	P241 1	one of 100
podilice"	STATE AIL	024), 1	JUL 10 100

LONDON FUTURES

Menth	close	-	Dons	month: 75.00.
October November December January February. March	£ per troy cence 931.00-5,en \$33.90-3.80 £84.00-5.75 \$55.00-7.70 987.00-41,95 \$41.50-4,90 7.528 (248)	+5,650 +2,760 +5,476 +5,576 +5,560	287,80-1,20 284,90	71.0, Kerb: £872.00 Nighar 68.50, 63.50, months three 68.60, Turnov
				TIN

King Sov Victoria Sov French 20s 50 pacs Mex. 100 Cor, Aust 330 Eagles

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BRITISH COMMODITY MARKETS

BASE-METAL prices were lower on the London Metal Exchange, reflecting the strength of stenling against the dollar end concern, that the recent serge in precious metals could have been over-done. Copper trached 5982 before cone, ct ppper technic tox, petric closing ct psper technic tox, while Leed was finally £328 and Zine £429. The closed £7,340 in volatile trading with buyers responding to reports of support by the Suffer stock manager. Currency considerations were mainly responsible for the marked weakness of Nickel, finally £2,782.5. COPPER Official - Unofficial -

2 2 2 862.5-3 -8 865.5-0.3 -14 870.5 -6 865.5-4 -13 3 miths 898. e -4.25816.6.7.5 -18.5 848. 5 -7.75 836. e -15 828. e -8.5 -70.75 Amelgemented Motel Trading reported that in the morning cash Higher Greds wirebers traded at £863.00, three months £875.00, '74.00, '74.50, '75.00.

ne (275.00, '74.00, '74.50, 75.00, 74.00, 73.00, 77.00, 71.00, 70.5, 71.50, 72.00, 71.50, 71.00, 70.50, Higher Grade: Three months 0.73.00, 74.00, 73.00, Atternoon: F Grads, three months 2370, 69, 65, 64, 63.50, Cathodas: Three 18 2538, Karb: Higher Grads, menths 2865.00, 65.50, 86, 87, 77 per cent of the control of the

Standard 7360-70 +58 7590-400 +185 6 7590-400 +185 7500 +180 7500 +180 7500 +180 7500 +180 7500 +180

Tin—Morning: Standard, three months £7,240, 30, 80, 80, 55, 50, 50, 70, 80, 90, 7,300, Karb: Standard, three months £7,320, 10, 20, 16, 20, 10, 30, Afternoon: Standard, three months £7,330, 40, 36, 20, 30, 40, 45, Kerb: Standard three months £7,350, 40, 45, 40, 30, Turn-over: 2,905 tonnes.

| CCO Delly price for Aug 24: 74.8; | CCO Delly price for Aug 24: 74.8; | CCO Delly price for Aug 24: 74.8; | CCO Delly price for Aug 25: 73.20 (72.42), | Indicator price for Aug 26: 74.8; | CCO Delly price for Lead Mornings Cask £310, three nonths £328.00, 27.00, 26.00, 27.00. months 2325.00, 27.00, 26.00, 27.00, 22.00, 25.00, 24.00, 23.00, 22.00, 21.00, 22.00, 24.00, Karb: Three months 2323.00, 24.00, Afterneon: Three months 2323.23.5, 24, 24.5, Kerb: Three months 2325.00, 28, 25.5, 28, 27, 28 official - Unofficial -t \$ 8 2 2 8 419.75:20 5.57419.5-20,5-5.25 427.5-8 5 428.5 8.5 420 6.5 - 5740.5 Zino-Morning: Cash £419.50, 19.75, three months £483.00, 32.00, 31.00, 30.00, 29.00, 28.00, 27.00, 27.50, 27.75,

Keibi Three months £423.00. Afternoon! Three months £423.02. 28, 28, 5, 28, 28,5, 28, 28,5, 28, 28,5, 23, Turnover: 17,400 tonnes. 8 5. 5. 5. 561.5-2.6 7.75 555.8-6 -8.78 550.1 -7.75

Alumhium—Moming: Three months E587.00, 87.50, 88.00, 87.00, 84.00. 85.00, 85.50. Kerb: Three months E585.00, 85.50, 86.00. Afternoon: Three menths £584, 83, 81, 79, 78, 79.5, 80. Kerb: Three months £581.00, 80.05, 81, 82, 83, 84, Jumper, 27,125 tenness.

2.840, 10. Kerbt Three months £2.820, Aftermoon; Three months £2.800, 2,790, 2,785, 2,780. Kerb; Three months £2,785, NICKEL

3 months 9810-20-36,5 2775-80 -78 *Cente per pound. ‡ MS per kilo, † On previous unofficiel close, SILVER

Silver was fixed 13.25p an ounce higher for expt delivery in the London bullion merket yesterday at 464.55p, U.S. cont equivalents of the fixing levels ware: spot 615.3c, up 30.3c; three-month 335.2c, up 31.4c; six-month 855.5c, up 31.2c; and 12-month 907.6c, up 31.1c. The metal opened at 457-482p (800-810c) and closed at 452-485p (915-820c),

+ sr LM.E. silver Sullon per fixing troy ez. price 6pot454.05p +15.2 457.3p +7.5 3 moeths,472.05p +15.7 469.76p +2.8 6 months,488.05p +15.5 13months310.35p +15.5 12month=510.35p (M6-Tumova: Z13 (353) lots of 10,000 oza. Morning: Three montha 434.0, 85.0, 83.5, 64.0, 85.0, 79.0, 78.0, 78.0, 74.0, 75.0, 78.0, 75.5, 79.2, Kerb: 478.0, 79.0, 50.0, Attenuon: Three months 470, 469, 69.5, 65, 55.5, 69, 69.5, 70., Kerba Three months 471.0,

COCOA Futures remeined steedy within a nurrow range as commission house short-covering offset light producer sales. Offsets emone consumers was scene, reports Gill and Ouffus.

Glose or Susiness
Dons Sales: 1,774 (2,011) lots of

Following early losses good trads interest fusiled a stoody market, reports Drawsi Bumham Lembert. Appressive buying mainly in distant position tested recent highs, but eith feiling to breakthrough values retreated. COFFEE Yest'days + er Susiness - Done

964-70 +7.0 950-50 Soles: 4,558 (5,234) fore of 5 tonnes. ICQ Inglester prices for August 23; (U.S. cenes per pound) Comp. daily, 1678 120.00 (118.9); 15-day, gyerząs 115.37, (118.62).

GRAINS.

Wheat opened higher, beriev tri-changed. Both merkets remained firm with good commercial and shipper buying until buying interest eased off in the elternoon, Adl reports. TOWAT . Yestard'ys for Yest'rdys for Math

HGCA-Locational ax-farm soot pices. Other milling veheat: N, Wast 110,20. Feed barley: S. East 100.50.
S. Wast 98,50, W. Mide 97,50. N, Wast 98,50. The UK Monetary Coefficient ler the weak beginning Monday Aegust 30 (based on HGCA calculations using five days archange rates) is expected to remain unchanged.

to remain unchanged.

Business done-Whest: Sept 112.10111.80, Nov 114.65-114.60, Jen 118.35118.10, March 121.65-121.55, May
124.50 only, July 127.50 enly. Sales;
218 lots of 100 tennes. Barley: Sept 105.40-105.20, Nov 109.20-109.00, Jen 112.70-112.65, March no trades, May 118.30-118.85, Seles: 278 lots of 100

118.80-118.85. Seles: 278 tota or roctomes.
LONDON GRAINS—Wheet: U.S. Oerk Northern Spring No. 1, 14 per cent; Sept 108. Oer 108.50. Nov 111 tenshipment East Coast sellar. English Feed, lob: Oct/Oec 118.50 East Coast sellar. Makes: Franch: Sept 138 transhipment East Coast usiler. South African White/ Yallow: Aug/Sept 85.00 sellar. Barley: English Feed, fob: Sept 108.50 East Coast. Oct/Oec 1/2.75 Cast Coast. Sellars. epot 105.25 peld South Coast. Reat unquoted.

RUBBER The London physical market opened slightly easier, streacted little interest throughout the day and closed dull. Lewis and Peet recorded a September tob price for No. 1 RSS in Kuele Lumpur of 199.0 (199.75) cents a kg and SMR 20 171.0 (171.5).

Yest'r'ys Previous Susiness Sept __ 42,86.86,263,100.81,20 Oct ___ 51,20.81,50.81,81.82,16 Oct.Deo 52,10.82,30,42,84.82,80 Jan-Mar 54,65.84,70.55,10.45,20 Api-Ins 57,26.87,50.57,70.57,68 Jly-Sept 58,72.52,60,60,20.80,50 Cot.Deo 52,80.63,80,80,20.80,50 Jly-Moth 54,72.84,60,85,10.85,20 Jly-Moth 54,72.84,80,65,10.85,20 Apl-Ins 57,00.47,86 67,654.85

Safes: 138 '(65) lots of 15 tonnes; 15 (7) lots of 5 tonnes. Physical closins prices (buyers) were Spot 49.50p (50.00p); Oct 61.50p (52.25p); Nov 52.00.

The market opened elightly eagler on atrongs sterling, reports T. G. Roddick, Prices remained steedy in nerrow ranges until lets in the day when the October 181.58-21.9 1.05 183.08-22.80
Dec. 124.80-34.4 0.75 185.00-24.40
Feb. 128.80-28.4 0.75 185.00-24.40
April 128.60-29.4 0.75 182.50
June 150.00-30.5 0.35 182.50
Alguel 751.80-32.0 0.25 182.50-31
October 151.80-54.0

Sales: 148 (28) lots of 100 tonnes. SOYASEAN O(L-A wasker doller produced e higher opening and price firmed further on light short-covering. firmed further on light abort-covering. Some profit-taking took prices from the highs. Closs and business done (U.S. 5 per tonne): 0ct 448.00, 450.00, 470.00; Dec 454.00, 446.50, 457.00, 455.00; Feb 450.00, 464.00, 465.00, 455.00; June 470.00, 450.00; entraded; Aug 470.00, 485.00, untraded; Oct 470.00, 480.00; untraded; Oct 470.00, 480.00; untraded; Sales: 64 (12) lots of 25 tonness. (12) lots of 25 toppes

Asg. 24 + or Month 1952 - ago Cash herade... £855

5107/TI2

Bocorast (Phil) 9415x Broundnut \$555u Linneed Crude Palm Malayan \$402,5t +10 #455 +7.3 \$402,5 Seeds Copra Ph lip __ 5885y Soyabean (U.S.) \$340y 5310 +8.5 \$254.e Straine Series Fat. Nov. 8109.00 Maite \$2180.00 Wheat Fat. Nov. 2114.70 No.3 Hard Wint \$2109.05

INDICES

FINANCIAL TIMES

Aug. 23 Aug. 20 M'th agolY'er ago

232.48 231.58 232.62 867.63

(Bess: Joly 1, 1952 - 100)

Aug. 24 Aug. 35 M'th ago Y'ar ago

1535.6 1539,7 1543,8 1575.2

(Bese: September 18 1931 - 100)

Aug. 25 Aug. 20 Mith ago Y'ar ago

1010,4 1007,5 1018.1 1036,2

(December 31 1931 = 100)

MOODY'S

REUTERS

SOYABEAN MEAL

No.4 Yesterday Previous close close

Sales: 2,571 (2,143) loss of 50 tonnes.
LONDON DAILY, PRICE—Raw augar 598,00 (298,00) a tonne of Aug-Sept-Oct ahipment. White augas (ally price

493.8,

§Wheat—SCWRS 13.5 per cent protain content cif St. Lawrence 222,75

(asme),

CHICAGO, August 24.
Lard—Chicego lorsus 21.50.
Live Cettle—Oct 64.17-84.30 (63.95),
Oac 64.15-84.10 (63.87), Feb 62.50-62.60.
April 62.35-62.25, Juna 62.97, Aug
61.40.
Live Hogs—Oct 62.40-62.30 (61.07),
Dac 80.00-59.90 (58.85), Feb 57.4067.30, April 62.25, Juna 50.95-51.25,
July 49.90-50.00, Aug 48.00.

13Metze—Sept 2301-231 (229%), Dac
2341-234 (231), Merch 2493-230, May
2341-234 (231), Merch 2493-230, May
2591-260, Jely 2651-266, Sapt 2883,
Pork Bellies—Aug 103.40-101.50 (101.70), Feb 81.87-81.87 (78.87),
March 60.12, Mey 77.10, July 72.62,
Aug 71.09.

MONDAY'S CIOSING DITCOS

†*Cocoa—Sept 1433 (1467), Dec 1513
11637), March 1564, May 1614, July
1657, Sept 1686. Sales: 3,370.

Coffse—'C' Contract: Sept 134.50
(133.94), Dec 125.00-125.07 (126.37),
March 118.40, May 112.70-112.80, July
109.00, Sect 105.25-106.28, Dec. 102.50103.00. Seles: 1,320,
Cotton—No. 2: Oet 65.12.65.15
(265.28), Dec 67.13-67.15 (87.38), March
69.65, May 71.12-71.15, July 72.6272.70, Oct 73.55-73.60, Dec 74.46-74.65,
Sales: 2,450.
Heating Oil—(cents pet (J.S. gellon)s
Sept 91.40-81.50 (90.85), Oct 32.204
92.30 [91.29], Nov 93.15, Dec 33.704
92.30 [91.29], Nov 93.15, Dec 33.704
92.30 [91.29], Nov 93.15, Dec 33.704
92.30 [91.29], May 130.40-130.50, July
131.40-131.70, May 130.40-130.50, July
131.40-131.70, Sept 132.60-132.70, Nov
132.60-133.00, Jan 132.60-133.20, Sales:
500.

**Platinum—Oct 232.5-324.5 (318.5)

ROTTERDAM, Aegust 24.
Wheat — (U.S. \$ per tonne): U.S.
No. 2 Red Winter: Sept 144, U.S. No. 3
Amber Durum: Sept 183, Oct 187, Nov
172, Dec 176, U.S. Ne. 2 Northern
Spring, 14 per cent: Aug 175.50, Sept
172, Oct 173.50, Nov 177, Dec 181.

Soyabeans—(U.S. S per toma): U.S. No. 2 Yellew Gullports Aeg 236, Sept 234, Oct 227, Nov 226, Occ 230.50, Jan 240.50, Feb 241.60, March

DOW JONES Aug Aug Month Year Spot 187,24 125,65 125,61 — Futr's 130,25 128,77 127,50 — (Base: December 31, 1974 - 100)

Initial gains, ancouraged by a strong gold market, were quickly lost and price drifted back to the recent low points. Thereafter little change ecoured, reports C. Czemikow. ecoured, raports C. Czemikow.
Tate end Lyle delivery price for granulated bazie white sugar was £405,90 (same) a tonne for home trade and £203.00 (£204.00) for export.
International Sugar Agreement (U.S. cants per tonne) lob end stowed Caribbean ports. Prices for August 23; Dally price 6.81 (6.82): 18-day average 8.91 (8.95).

LIVERPOOL—Spot end shipment sales emounted to 37 tennée. Termover was quietze, but a tastful damend egelet came forward in numerous variedes. Most of the loterest was in Middle Esstern and African styles.

AMERICAN MARKETS.

NEW YORK, August 24,
Profit-taking presured silver, gold end
topper late in the day se stock values
declined and coffee cerms ender
pressure on apeculative liquidation.
The grain and soyubean complex
strengthened on commission house buying prempted by his firm tone to
currences, recorded Heinath Copper—Aug. 54.45 (65.15), Sept. 64.50-64.70 (85.30), Oct. 65.25, Dec. 65.50-66.70, Jun. 57.10, March 68.20, May 69.20, July 70.30, Sept. 71.40, Occ.

65.50.66.70. Jen 57.10. March 50.20. May 69.20, July 70.30. Sept 71.40. Oec 73.00. Jec 73.50. March 74.55. May 75.60. Potatoes (round whites)—Nov 67.0 (68.1). Feb 66.0 (66.0). March 76.6, April 88.0-88.4. Sales: 244. Silver—Aug 775.0 (800.5), Sept 770.0-775.0 (800.8). Oct 782.4. Dec 785.0-788.0. Jen 800.0. March 610.0-613.0. May 825.0-840.0, July 847.5. Sept 802.5, March 907.5, May 825.5. Hendy and Harmen bullion snot: 831.00 (800.00). Sugar—No. 11: Sept 7.01-7.05 (8.99). Oct 7.23-7.24 (7.18). Jen 7.80-7.90. March 8.42-8.43, May 8.67, July 8.874. 8.90. Sept 9.20-9.30, Oct 8.27. Tin—603.00-608.00 (885.00-586.00). "Gold—Aug 403.5-405.0 (399.2), Sept 404.5 (400.2), Oct 405.0-406.0, Occ 412.5-414.0. Feb 418.5-421.0. April 428.3, Juna 436.4. Aug 444.7, Oct 453.2. Dec 452.0, Feb 471.0, April 484.0, Juna 489.8.

WOOL FUTURES SYDNEY GREASY WOOL—Close (in order; buyer, seller, bueiness). Australian cents per kg. Oct 525.0, 525.5, 527.0-525.0; Dec 529.0, 529.5, 530.0; 027.0-529.0; 1900 225.0, 325.0, 580.0; March 535.0, 537.0, untraded; Mey 540.0, 541.0, entraded; Jely 545.0, 548.0, untraded; Oct 541.0, 542.5, untraded; Oct 545.0, 546.0, 545.0. Soles: 21. LONDON NEW ZEALAND CROSS-

MEAT/FISH

SMITHFIELD—Pence per pound.

Seef: 5catch killed sides 78.0 to 83.5: profile to 10 t

176.5. May 182.0-183.0, July 184.5; Aug 183.0-183.5, 383,0-183.5, Soyabean OII—Sept 17.85-17.83 (17.73), Oct 18.00-19.01 (17.87), Dec 18.38-18.39, Jan 18.63, March 18.55, May 18.25, July 19.50, Aug 19.40-19.45, 1Wheat—Sept 344-345, (3432), Dec 5647-366 (364), March 3827-3824, May 3824, Saga, Linh 3874, Saga 375, Saga 384, Saga, Linh 3874, Saga 386, Saga Linh 3874, Saga 386, Saga Linh 3874, Saga 386, Saga 3

364-366 (364), March 382'-382', Mey 388's-388, July 387's, Sept 395.

WINNIPEG, August 24.

\$88arley-Ort 105.0 (702.5), Dec 105.1 (103.3)', March 103.1, Mey 110.6, July 112.2.

All conts per pound ex-warehouse unless otherwise steted. *\$ per troy ounce. † Cents per troy ounce. † Cents per 56-lb bushel. † Cents per 60-lb bushel. † S per short ton (2,000 lb). \$\$Can, per metric ton. \$\$\$ per 1,000 sq ft. † Cents per dozen. †† S per metric ton.

All cents per pound ex-werehouse unless otherwise steted. *\$ per troy ounce. † Cents per

March 60.12, Mey 77.10, July 72.62, Aug 71.09. 130.00-133.20, Jan 132.60-133.20, Sales: 600. 150.00-15

EUROPEAN MARKETS

per cent effuat 204:205, Sept 204:50-206 traded: affoat 206, Sept 206, Get 204, Nov 205, Dec 207, Nov-March 214 sellers. Pellets Brazil affoat 204, mid-Aug-mid Sept 205.75 traded; affoat 206, Sept 206, Oct 214, Nov-March 223 sellers. eellera, PARIS, August 24, Cocca—(FFr per 100 kilce): Sept 1085/1090. Dec 1146/1150. Mer 1185/ 1195, May 1230/1240, July 1280/1275, Sept 1290/1305, Dec 1320/1335, Seles Maixe—(U.S. 8 our tonna): U.S. No. 8 Yellow: Asg 118. Sept 111 50, Oct 108. Nov 106, Dec 109. Oct/Dec 107, Jen/Merch 118.50 sellers. st cell: nil.
Sugar—(FFr per tonne): Oct 1326/
1331, Nov 1340/1350, Oac 1400/1405,
Mar 1535/1540, May 1587/1595, July
1615/1625, Aug 1630/1635, Oct 1695/
1700. Seles at cell: nil.

> 58.0: New Zealand Pl 59.3 to 60.3. PM 59.3 to 60.3. PX 56.5 to 57.7. Ports: English. under 100 lbs 33.5 to 62.0, 100-120 lbs 43.0 to 51.0, 120-160 lbs 39.7 to 48.7.
> MEAT COMMISSION—Average Fat-GB—Cattle 97.43p per kg lw (+1.27).
> GB—Sheep 132.34p per kg lw (+1.27).
> GB—Sheep 132.34p per kg est dcw (+5.19).
> GB—Pige 70.31p per kg lw (+1.21).

(+1.21).
GRIMSEY. FISSY—Supply pear, de-mand good. Prices et ship's elde (time-processed) per stone: Shalf end 25.00-£5.00, codling £3.50-£5.00; large haddock £4.60-£5.20, medium £3.20-£4.20, smell £1.80-£2.60; medium plaice £5.50, best amell £5.30-£6.40; large soles, large, £10.00; medium, £9.00; rockdah £3.00; seithe £1.80-£2.10. LONDON NEW ZEALAND CROSS-AREDS—Close (in order: buyer, saller, business). New Zealend cents per kg. Aug 345, 369, nil; Oct 358, 375, nil; Dec 386, 388, nil; Jen 388, 391, 390; Merch 388, 401, nil; Mey 404, 407, 405; Aug 408, 412, nil; Oct 410, 416, nil; Dec 414, 478, nil; Jen 416, 420, nil, Sales; 3.

LONDON POTATO FUTURES—The market eased lower in thin conditions, raports Coley and Harper. Clesing prices: Nov 57.10. —0.30 (high 57.50, low 57.00); Feb 66.40, —0.90 (high 57.00, low 68.20); April 78.00. —1.90 (high 77.40, low 78.00); May 85.60. —1.90 (high 87.20, low 85.50); Mor 85.90. —0.10, untredad. Tutnovers 197 (178) loss of 40 minuses.

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SUGAR

ALCOHOLD THE SAME

French Nuclear

Electricity

(JANUARY 1982)

LIXEMBOURG

Fessenheim GERMANY

WEST

PTALY

- France is no nearer answering

the question of what to do next

Superphenix,

Western economics.

commercial fast reactors.

The future for French nuclear power

By David Fishlock, Science Editor

RADIO-ACTIVE waste is the as from nuclear plant.

finding sites for these reposi- programme. tories than for more nuclear M Carle, who took responsi-reactors, including the first bility for construction from tories than for more nuclear commercial fast reactors. or M Michel Hug early this year, even for a proposed district- says the task today is quite miles of Paris. Even horeholes programme began. "He has to explore the geology for sub-clearly inherited one of the erranean waste repositories are being fiercely opposed, as they have been in Britain.

But in less than a decade since France launched its big nuclear ogramme based on the Westinghouse pressurised water reactor, it has commissioned no fewer than 23 reactors, totalling nearly 21,000 MW. It still has 25 PWRs under construction. of which 14 are of 1,265-1,290 MW net output I compared with 1,050 MW net output planned for the Sizewell B PWR). By the end of 1981 it was obtaining 37.7 per cent of its electricity from nuclear fuel, three times

A STATE OF THE STA

Marie Control State of the Control o

as much as Britain.
What is more, French experi--ence with the U.S. reactor has been good. The PEON rommission, which oversees nuclear electricity production, set the following targets for output expected in the early years of

Availability... 50 per cent 60 per cent Year 2 Year 3 70 per cent As the accompanying map shows, the units entering service up to January 1982 consistently exceeded the PEON production targets.

gramme a year ago, soon after planner of the nuclear pro-the Mitterrand Government gramme, that only by mounting came to office, Is one station-Plogoff, in Brittany—abandoned. development programme of his Five more were "frozen" last own would he achieve an summer. The Government equable exchange of technology devised a three-level scheme of appeal against reactor siting: local government, regional government, and National Assembly, All five "frozen" Assembly. All five "frozen" UK Atomic Energy Authority projects are now proceeding, three having been approved at Framatome, the reactor design three having been approved at local government level and the other two at regional government level. None needed the intervention of Parliament.

Sought has been crossed of a sought has been crossed by the last government, level and the but pressure from the makers of a sought has been crossed by the last government, work within 10 kilometres of a world's unost atvanced nuclear would bring a major new profect—can hold to its ject into region of the French nuclear station, authorized nuclear industry while other cannot compensate for the but pressure from the makers have their own R and D.

One major result of this of Arabelle, eager to compele intervention of Parliament.

R and D is a French design of in world markets. So far EdF

France, however, has not most sensitive nuclear issue been immune from the effects today in France, the nation with of economic recession and the the world's biggest nuclear rate of ordering of new nuclear power programme and its most plant has fallen sharply. Only advanced fast reactor technology two units have been ordered for burning plutonium. Like this year. M Remy Carle, in Britain, France needs two new charge of the nuclear construcnuclear waste repositories for tion programme for Electricité permanently disposing of radio- de France, expects to order no active waste from its hospitals. more than three reactors a year surgeries and factories, as well for the next two years-compared with as many as six a It expects greater difficulty year in the early years of the

heating reactor within a few different from when the big world's stories.

claims that the programme was trouble-free. They remember too well the cracks in crucial components which appeared when they departed from Westinghouse's manufacturing

Last winter they began to discover the drawbacks of sixreactor sites. Such a site at Gravelines near Dunkirk ran into trouble when striking ronstruction workers on the last two units prevented power generation by the earlier units. M Carle believes that there will be no more six-unit sites. Four units, probably operated as two separate power stations, are a more manageable arrangement.

The French have never treated the Westinghouse PWR as an " off-the-shelf " technology transfer. They bad their own experience of the PWR gained from work by the Commissariate à L'Energie Atomique (CEA) on the submarine reactor (of which seven are now at sea). By The outcome of the re- the mid-1970s it was clear to appraisal of the reactor pro- Dr Andre Giraud, then mastermajor PWR research and

with Westingbouse.
Today, the CEA alone spends
about £20m a year on civil PWR R and D (for comparison, the

great engineering comparable with North Sea development by Britain. In each case the nation made adroit use of overseas technology and resources.

instructions.

decade's experience with three an option on six more.

marques of Westinghouse reactor: the CP (900 Mw). P4 and a place in this program of 1,400-1,450 Mw, making It the biggest commercial reactor design (outside the USSR where at Marcoule, there are plans for 1,500 Mw pressure-tube units). The N4 reactor is closely

allied to the new French turbogeneralor, Arabelle, developed by Alsthom-Atlantique, Arabelle is a 1.500 Mw set, first ordered by EdF last year. The N4-based units will.

proud of the new control room eight weeks.

It has designed for the N4, more intelligent than others.

M Carle believes the first N4 unit will be ordered for Chooz, a sile on the border with Beigium, late next year. But the main driving form to the proud of the new control room eight weeks.

Meanwhile. Superphenix, over taken, M Carle is confident that the wake of a decade of construction boom. Much of the popular appeal of nuclear taken, M Carle is confident that the work each has provided for people of both Creys-Malville, several thousand people at the people of both Creys-Malville. Superphenix, over taken, M Carle is confident that the work each has provided for people of both Creys-Malville, where there is space for a peak of construction. Un to 75 to the wake of a decade of construction boom. Much of the popular appeal of nuclear people of both Creys-Malville, where there is space for a peak of construction. Un to 75 to the wake of a decade of construction boom. Much of the popular appeal of nuclear people of both Creys-Malville, where there is space for a peak of construction boom. Much of the popular appeal of nuclear people of both Creys-Malville, where there is space for a peak of construction boom. Much of the popular appeal of nuclear people of both Creys-Malville, where there is space for a peak of construction boom.

Reactors in operation(all 900Mw PWR)

Unit; menths in service; trillions of kith since

entering service (triflions of kWh expected by PEON)

PWR, the N4. It builds upon a has ordered two sets and taken Does the fast reactor have a place in this programme? M P4 (nominally 1,300 Mw). The Carle, as a CEA engineer, was N4 reactor will have an output responsible for the construction of Phenix, the highly auccessful

250 Mw prototype fast reaclor

Dr Georges Vendryes, CEA director responsible for development, international reactor meeting in Brossels at 9 am on February 29, said Phenix, after medium-term prospects for fast nearly eight years of operation. was still running like a clock.

But at 10 am the clock

Belgium, late next year. But the main driving force to introduce the N4 is not economy—the per cent improvement in generating costs EdF once sought has heen eroded by growing demands from the Evench processory and seven years. But with second reactor, and Marcoule, which could accommodate two pleted and all major components finished and mostly would welcome the project. For Marcoule, north of Avignon in the Rhone Valley, it would bring a major new proposed to the project would bring a major new proposed project—can hold to its

nuclear fuel company, is closing the major portion of its enrichment plant. It lost about £20m last year using this plant to reenrich uranium recovered from spent nuclear fuel. Only the high-enrichment

stages — a very small part of the plant — is being retained. mainly to make highly enriched fuel for submarine

Next door to Pierrelatte the leviathan Tricastin enrichment plant of Eurodif, in which Cogema is majority share holder (51.53 per cent), is now finished to the schedule aet in 1973. So are all four PWRs built by EdF at Tricastin to supply its power.

But Tricastin is woefully abort of enrichment business, because of cuthacks in the programmes of Eurodif's four overseas partners (Belgium, Iran, Italy and Spain). With plans for a repeat of the project now virtually extinct, many specialised subcontractors in the area have had to abandon their husinesses

The one new activity is a PWR fuel factory employing 500-600, expected to come into production in 1984.

At Cogema's reprocessing The Mitterrand Government has postponed any decision until it northern France, the first fuel operating experience of erphenix. The nuclear from the French PWR pro gramme was reprocessed this industry now interprets this as meaning no decision before 1986 —time, of course, for another year. Here business is looking much brighter, with a investment programme which includes three reprocessing big surge in oil prices to hit plants, extensive spent-fuel ator-But from a 1982 perspective, age capacity, and a plant to virrify the highly radio-active effluent.

reactors do not look rosy. When Remy Carle apeaks of Hopes of building four to six having a different job from that rommercial Superphenix re- of his predecessor who launched operate at nighter steam pressure than present units, giving a higher thermal efficiency for the plant: 37.5 per cent compered with 34.5 per cent for the 900 Mw units, EdF is also proud of the new control room sight weeks.

Stopped." Phenix sprang its first actors and fund a dedicated restruction programme, he means plutonum fuel, have been struction programme, he means plutonum fuel, have been shat EdF is now expected to whittled down to two or even bear heavy responsibility for just one 1,400 Mw reactor, plus social problems that follow in reprocessing.

Should such a decision be actors and fund a dedicated rethe big French nuclear con-

It is already clear that the 10 per cent discount on electricity tariff for those who live and work within 10 kilometres of a

FILM SERVICE recession in the next few years. Just .. 2 few miles north, 2t Pierrelatte, Cogema, the French 20 prints for £2.25 Send your Kodacolor II 110,126 & 35mm films and we can

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Gilt-Financial Times Wednesday August 25 1982

Companies and Markets	· · · · · · · · · · · · · · · · · · ·			<u>_</u>				==
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NEW YORK ACTIVE STOCKS

Stecks Clesing traded price Stecks Clesing price State State

Stecks Clesing traded price 1,956,700 22% 1,949,300 23xd 1,681,000 49% 1,545,400 09% 1,250,100 27%

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H'me Bnds. 69.67, 62.81 Transport., 257.81, 324.04	62,04 89.12 81.36 80.80 514.82 010.02 514.52 999.5	(25/8) (12/2) 688.46 292.12 447.58 12 (7/7) (12/8) (16/4/81) (8/	AOSTRIA (702) Credit Aktien (2/1/82)	48.25 49	50 48,58	48.42	09,96 (4/1)	48,28 (24/6)
Utilities 110.80 110.50	112,17 111.70 112,28 107.8	1 18,55 105,22 185,32 ! (7/5) r60/7) (28:4/69) 28	1.5 4/42) BELGIUM Belgian BE (81/12/88)	80.08	86,14	(u)	102,45 (6/4)	88.42 (20/1)
	79,270 152,698 92,888 58,42	- - -	DENMARK Copenhagen 9E (1/1/76)	118.18 115.	58 115.54	114.78	126,22 (25/2)	188,0 (12/7)
o Oey's high 994.22 lov	y 861.68		- EDANCE			T		AT A 117.53
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*Illianes io	109,16 100,55 109,04 104,	09 -122,74 182,42 140,52 4 (4/1) 12,81 (28,11,60;1/4	4071 HOND KONG (52) Heng Seng Bank (51/7/04	1054.88 1987.	65 1934.69	1936.55	1445,82 (72/1)	937,28 (16/E)
	Aug. 18 Aug. 11	Aug. 4 Yeer ago (ap						147,25 (22/7)
indust'i div. yield %	6.94 6.82	6.08 4.39	Banca Comm Ital.(1872)	172.09 172	88 174.6	174,81	212,60 (12/3)	147,28 [2217)
<u>·</u>		7,40 9.53	JAPAH**	7988,98,7863	40:0000 A	ca#7 78	7926,55 (27/1)	6864.58 (17/8)
Indust'i P/E retio	_	<u> </u>	Dow Average (18/6/49) Tokyo Now SE (4/1/68)	627,06 825	00 818.11	518.54		611,52 (17/6L
Long Gov. Bond yield	12,05 13,11	13,04 13,87		i—	-i	 -	 	
		Rises and Faile	NORWAY Osio 2E (1/1/72)	117.80 119	88 116.4	118.25	180.89 (29/1)	199.19 (1/4)
NY. S.E. ALL COMMON	1092	Aug 25 Aug 20 Au	18 Straits Times (1995)	611,69 625	88 609,2	697,65	810,78 (8/1)	567.07 (10/8)
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	Mign Low Falls		14 SOUTH AFRICA 22 Gold (1958)	(u) (u	1 -	011.0	589,5 (6/1) 711,7 (8/1)	555_5 (6/7) 507_5 (28/6)
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		1982	SPAIN Madrid SE (\$8/12/81)	89.94 (d	90.2	90,52	167.45 (9/2)	96,91 (15/7)
MONTREAL	Aug. Aug. Aug. Aug. 20		SWEDEN Jacobson & P. (1/1/54)	B19.15 918	_	8 617.01	656,52 (22/1)	888,32 (29/4)
industrials Combined	277.59 275.24 863.08 259. 264.68 262.70 259.55 255.		9	248,4 242		258.6	263.1 (11/1)	267_9 (17/8)
TORONTO Composite			WORLD Capital Intl. 11/1/75)		g 129.7	125,1	147,2 (4/1)	110,4 (13/8)
	NEW YORK ACTIVE	STOCKS	24 hum 1					

Early profit-taking on Wall St

OLLOWING Mooday's further psurge to an eight-month high, bolders.

THE AMERICAN SE Market Value Index was aheed 3.79 mors stertad taking profits. However, the rest of the market was ixed to higher, while overall ading volume remained expensely hears.

OLLOWING Mooday's further no recommendation to share bolders.

THE AMERICAN SE Market V385, Snmitomo Metal Mining V12 to the lease from China-oo the new 1385, Snmitomo Metal Mining V12 to V385, Snmitomo Metal Mining V12

ver, the rest of the market was uxed to higher, while overall adding volume remained exemply heavy.

The Dow Jones Industrial verage Blue Chip indicator, both had rallied 114 points in verage Blue Chip indicator, thich had ralliad 114 points in the past seven business days, had eccided 10.46 to 880.71 by 1 pm esterday. The NYSE All common Index slipped 17 cents 7 866.19, although rises outgored declinas by almost a three-two margin. Turnnver soarad or there is 96.09m shares from the 78.54m registared at 1 pm on 10 moday, when the second-

eek.
The Blue Chip slocks that
ere the greatest beoeficiarias of
the market's advance were
moog the weaker issues yester-On the actives list, Sears shed 10 S221. IBM S3 10 S683, leoeral Molors S11 10 S481 and ord S1 to S261. All theso issues

osad at new 52-waek highs no flooday.

Also lowere were ATT, by S1;
o \$56\; Uoion Carbide, \$1\; to
45. United Technologies, \$1\; to
45. Merck \$1\; 10 \$73\; Intertational Paper, \$1 to \$42, and
finnesota Mining, \$1\; to \$59\;.

Further bolstered by Wall Street's continued buoyancy overnight, lower interest rates onday, when the secondorday, when the secondorday io Japan and the U.S., and the
aviest full day's volume io
you's recovering trend, exportorientated Blue Chips again led ecordad.

Hildegarde Zagorski, of Bache
Hildegarde Zagorski, of Bache
Froup, said some back-tradiog

to be expected after the
second-breaking rally of the past
week.

The Blue Chip slocks that
The Blue Chip slocks that
were the greatest beoeficiarize of
were the Tokyo markst into bigner
the T

to \$56. Uoion Carbide, \$1½ to \$45. United Technologies, \$1½ to \$45. International Paper, \$1 to \$42. and Minnesola Mining, \$1½ to \$59. Warner Communications lost 1 to \$25. Lis Atari subsidiery has lomporarily shifted about 140 cmployeas at its coin-operated video games division to a founday week due to a seasonal slow of business.

Cities Service was up 1½ to \$42. Warner Commany's directors and Noo-forrous Metals issues.

Cities Service was up 1½ to \$42. While Hitacht of \$431. The company's directors rejected a \$50 a share bid from Cocidental Petroleum, but offerad

Closing prices for North America were not available for this editioo.

Bourse prices displayed an easier tendency, failing to main-Markets were inclined to gain fresh ground in active early dealings. The Toronto Composite Index was 7.0 bigher at 1,556.1 at noon, while Oil and Gas rose 15.0 to 2,609.9, but Golds retreated 43.4 to 2,326.1.

Tokyo

Bourse prices displayed an easier tendency, failing to maintend the recent advance despite wall Street's further surge to an eight-month high overnight. Dealers said operators were holding back shead of tomornow's meeting of the Bundesbank Council. The Commerzbank index shed 2.0 to 673.4 after this ing about 20 points in the

values were hardly affected. Financially-stricken Electri-cals coocern AEG. egainst the beckground of talks in Bonn on its DM 1.1bo credit guarantes request, fell DM 1.80 to DM 31.

Johannesburg

rally io recent sessions from a two-year low.

The Nikkei-Dow Jones Average, however, was still ahead 35.50 at 7,088.99 oo the day, after Monday's advance of 25 points. The Tokyo SE index added 2.06 at 527.06, while there was a reasonable turnover of 280m shares (240m).

Electricals, Motors, Computer Makers, Optical Fibres, Steels, Shipbuilders and some Precision Instruments attracted the main buying attention.

Oila after Monday's riss,

four exchanges from Monday's HK\$299.53m. Hongkong and Shangkai Banking declined 15 cents to HK\$9.55 ahead of its interim profits sonouncement, expected later

Switzerland

that day

rising about 20 points in the prior two sessions.

Nows of a smaller-than-current account deficit was received positively but although it boosted the D-mark, share values were hardly affected.

Buoyed by the continued sharp Wali Street raily and Monday's reduction in rates for medium-term notes by the Zurich Cantonal Bank, the market advanced over a broad front. The Swiss Bank Corporations of the continued sharp Wali Street raily and Monday's reduction in rates for medium-term notes by the continued sharp Wali Street raily and Monday's reduction in rates for medium-term notes by the continued sharp Wali Street raily and Monday's reduction in rates for medium-term notes by the continued sharp Wali Street raily and Monday's reduction in rates for medium-term notes by the continued sharp Wali Street raily and Monday's reduction in rates for medium-term notes by the continued sharp Wali Street raily and Monday's reduction in rates for medium-term notes by the continued sharp Wali Street raily and Monday's reduction in rates for medium-term notes by the continued sharp wali street raily and Monday's reduction in rates for medium-term notes by the continued sharp wali street raily and Monday's reduction in rates for medium-term notes by the continued sharp wali street raily and Monday's reduction in rates for medium-term notes by the continued sharp wali street raily and Monday's reduction in rates for medium-term notes by the continued sharp wall sharp wa to 246.4

Australia

Melal Mining and some Oil 2nd
Gas issues led markets iolo
higher ground at the outsat
yestarday, but the upward
momentum was lost during the
afternoon due to insufficient
follow-through buying.
Brokers said overseas buying
orders domiosted the base metals
eector initially, which was again
the focal point of the market dua
to higher metal prices and the
strongly rallying Gold Bullioo
price.

for the	s edit	ioo.	CSHIPCEL SDEC	18 10	X 780, Ricon	·	- -	********	<u> </u>	1	APAN (continu	red)
CANADA			BELGIUM (continued)	1	HOLLAND Aug. 24	Price 4	or		Price	or	Aug. 93	Yan
2tock (Aug.	Aug. 20	Aug. 24 Price Fra.	+=		Fig.		AHZ Group	3.30 1.30		Kubota Kumagal Kyoto Ceramie	374 —1 3670 —60
AMCA Intl	1934	1958	Petrofina		ACF Helding Anel dAKZO	93.4 25.1	+1.0	Ampol Pet Assoc. Pulp Pap	1.16	T 0,23	Maeda Const	664 +1 514 +4 690 -6
Abitibl	175; 104 275g	1734 254 27	Soc Oen Belge 1,230 Softna	+68	AMEVAMEV	88.3	+0.B	Aust. Cons. Ind	1.22 2.15	-0.81	Marubani Marubani Marudai	530
Algema Steel Aspestos	24	241g 101. 125g	Traction Elect 2,610	+15	Bredero Coft	57.9	+6.0	Aust Nat Inda	1.75 •		Marul MEI M'ta Elec Works.	845. +9 1,060 + 30 460 + 5
8k Montrea Bk Hove Scotia Easic Resources	255R	2014 9,10	ViellieMent 5,285	+200	Buhrmann-Tet Caland Hid Elsevier HDU	28 102.0	M 100 PM	Blue Metal		-0.02 +0.91	M'bishi Bank M'bishi Corp	303 +6 474 :
Sell Canedo		1814 1478	1		Euro Comm Tst GistBrocades	01,5	+1,0	Bouganville	1.43	+ 0.02 8	M'bishi Elect	408
Bow Velley BP Coneda Brascan A	244 134	247g 133g 3.50	DENMARK	•	Heineken	0B.2 15.0	+0.5	Sridge Oil	7.16		Mitsul Co	229 -1 575 +5
Brinco	124	9 194	Aug. 24 Price	+ or	Hunter Douglas Int Muller KLM	17.6 B2.9	+0.2	COA	0,14 3.50 2,68	+0.1	Mitsukoshi NOK inspiators Hippon Denso	486 -2 990 +1
Cadillacfalrview Can Coment Can NW Energy	849	8/s 28/s	*		Nat Hed cert Hed Cred Bank	110,5	+0.2 +1.7 -1.0	Cariton & Utd	1,90 3,55 0,36	-0.0ä	Nippon Cakki Hippon Meat Hippon Oil	015 -4 560: +6 846 -1
Can Packers	2878	2878	Baition Skand 353. CopHandelsbank 127.		Hed Mid Bank Ned Lloyd	109.5 100.B	+7.0 +0.7 +0.1	Do. Opts Cookburn Comt	0.10 1		Nippon Shimpan	653 +3 137 +4
Can Trusce Can Imp Bank Can Pacific	204 211a	201 ₂ 201 ₂ 223 ₆	D. Sukkerfab 350 Danske Bank 127. East Asiatio B9	TOIT	Oce Grinten Ommeren (Van)- Pakhood	22.8	+0.5	Consico	2.00 2.00 1.40	-0.07	NTV NIPpon Yuser	3,900 —50 224 +2
Can. Pac. Enta	18	1758 3B	Forende Brygg 574 Forende Damp 389. CNT Hidg 232	+0.6 +3	Philips Rijn-Schelde	23.8	-0.1 +0.9	Dunlep Elder-Smith G.M.	2.55		Nissan Motor	325 +5
Chieftan Gomince	1914	19ig 41	Jyske Bank 172 Nerd Kabel 137	====	Robeco	124.4 200.0	+2 -0.1 +3.5	Endeavour Res	0.13	+0.03	Nisshin 91ccl Nomure Olympus	1.020 +10 1.020 -10
Cons Batest A Cont.9k, Canada	1478 778	751 751 3.30	Nevo ind	4	Royal utch Slavenburg #	162.5 87.2 75.0	-1.0 -0.2 -0.5	Hooker	1,90 0,95 1,40 1,18	+0.05 -0.01 +0.02	Prient Leasing Pronect Renown	1,380 +20 1,420 630
Coseka Res Costain Daon Oevei	1.35	1,25	Provinsbanken 119 5mldth (F.L.) 168.		Unileyer	156.0	+6.5 +1.5 +3	Jennings	0.15 1.40		Sanyo Elect	555 —10 402 ; 49
Oenison Mines Oema Mines Oome Petroleum	19	205g 101g 6.90	Superfos 98.		Viking Re Vmf Stork	46.3	+0.1	Jones (II) Leonard OlL	5.16	+0.03	Sapporo Sokisul Prefab Sharp	655 -5 893
Oem Feundries	2819	2265 144			West Utr Bank	.' 73,5	+0.7	Meridian Oll Monarch Pet	1.85 0.18 0.07	-0.02	Shise'do Sony Stantey	3,420 +220
Dom Stores Domtar Falson Hickel	16 ¹ 3	1014 434	FRANCE				٠ -]	Myer Emp	2,35	+0.02	S'tomo Marino Tainel Dongyo	205 -1 470 +17
Gt. West Life	15	1134 1,80 1434	Aug. 24 Price		ITALY	, +		Nows	2.05 1.33 2.02	+0,01	Taisel Corp Taleho Pharm Takeda	073 -5 790 -8
Ouif Stream Res. Hawk 5id. Can Heilinger Argus.	1014	1.80 10 931 ₂	Emprunt 45% 1976 1,825 Emprunt 7% 1976 7,470	+46	Aug. 24	Price		Otter Expl Pancon	0.30 1.30	+0.1	Toilia Teikaku Oil	5.950 —20 215 889 —4
Hudson Bay Mng		14	CNE 69	+3	Assieur Gen Banca Com'le	52,150	+5525	Pan Pacific Ploneer Co Queen Marg't G.	0.09 1.29 0.15	+0.04	Tokio Morine	424 +3 407 ÷1
Hudson's Bay Husky Oil	0.70	1Bla 5,02 431 ₂	Au Printemps 142	+4	Bastogi IR85 Contralc Credito Varesino	6,240	+30	Reckitt &Colman Santos	1.6B 4.85	-0.82 +0.15	Tokyo Elect.Pwr. Tokyo Gas Tokyo Sanyo	405 +20
Imp Oil A	9754	9734	8IC	+14 +10	Finelder	35.6	+27 -1.4 -66	Sieigh (HC)	0.96 0.26	+0.03	Tokyu Corp	506 +6
Inter. Pips	1912	1116	Correfeur1,427	+7 +4 +9	Montedison	104	+100 -2.4 -15	Sparges Expl Thes. Natwide	0.92	+ 0.02	Toyo Seikan Toyota Motor	411 885 +15
Mac Sloedel Marks & Spence	1918 84	191 ₂	GFS (Thomson) 139 Gie Bancalro 178	1	Pirell Co	1,561	+59	UMAL Cons Vallent Cons	9.10 0.10	+ 0,62 + 0.85 + 0.02	Victor Waccal Yamaha	663 +18
Massey Ferg McIntyre Mines.	2,22 B834	9,22	Gie Gen Eaux 304.	J	Jniz Viscosa Tero Assic de. Prof	12.910	-90 +198	Waltons	0.58 3.38 0.70	+0.11 +0.11	Yamazaki Yasuda Fire	223 +3
Moore Corp Not. 6ez Prods	39	3778 7	Creusot Loire 77. CFP	5 +0.9		-		Woolworths Wormald Intl		-0.08	SINGAPORE	· · · · · · · · · · · · · · · · · · ·
Heranda Mines		1578	Oumez	5 +2.5	NORWAY						Aug. 24	Price + or
Nthn. Telecom Oakwood Pet Pacific Copper	1.20	4814 1934 1.19	Lafarge 190	+8	Aug. 24	Prico	+ or	HONG KONG			Boustead Bhd	1.59 +0.51
Pan. Can. Pet Potino Placer Dev	19 16%	7B 19 165s	Machines Bull 1,416 28 Matra 1,455	5 +0.7 +55	Bargene Bank	Kroner 106.5	+0,6	Aug. 24	Ptice H.K.B	+ <u>or</u>	Cold Storago OBS Fraser & Neave	7.30
Power Corp Quebec Strgn	104	98s 5.80	Micholin 8	5 +0.7	Creditbank	106.5 131 45.0	+0.6	Cosmo Prep Gross Horbour	10.8 1,28 10.1	0.7 0.42 0.1	Naw Par	2,92 -0.08 1.05
Ranger Oll	1034	614 1034	Pernod Ricard 377 Perrier	9 +1.6	Koemoe Horsk Hydro Storebrond	550	+2.5	Hang Beng Bank. HK Electric HK Kowloon Whi	5.8	-5 -0.1 -0.1	Malay Banking Malay Brew OCBC	7.49 -0.05
Rie Algom Reyal Bank Reyal Trusco A.	521g	32 12 9258 1958	Poelsin	5 +4	atoreprond	172.0;		HK Land	6.10 9.55	-0,25 -0,15	Sime Oarby Straits Trading UBO	4.46 -0.04
Sceptre Res Beagram Shell Can Oll	65	778 6412 9018	Redoute 890	+10 +7 +5	SWEDEN			NK Telaphone Hutchison Wpa! Jerdine Math	11.7 16.0	-0.8 -0.7 -0.7	SOUTH AFRIC	
Btsel of Can. A		184	gkie Roseignol 504 Telemech Elect. 726 Valso	+16	Aug. 24	Price	+_or_	Hew Werld Oev O'soas Trust Bk SHK Props	2.73 4.50 5.05			Price + or
Teck 9 Texaco Canade. Themson News	1 XR.0	7.75 2978 21			AGAAlfa-Laval	; 217	-2 +9	Swire Pac A Wheel'k Mord A. WheeleckM'time	9,55 4,65 4,00	-0.40 -0.18	Abercem	9.76 —0.05
Torento.0om 8k Trans Can Pipe	. 28 1268	9758 1878 759	GERMANY		ASEA (Freo) Astra	469	+5 -0.5	World Int. Hidgs.	2,30		AE&CI Anglo Am Anglo Am Gold	. 14,55
Trone Mntn. OliA Welkeriti Res Westcoast Trans	10	181 ₂ 153 ₈	Aug. 94 Pric		Boliden	180 227	+1 +B	JAPAN			Anglo Am Prep. Barlow Rand	8,55 -0.20
Waston (Geo)	.[31	5034	AEG-Talef	-1.8	Electrolux 8 Eriosson Esseite(Free)		+1+1	Aug. 24	Price :	+ or	Buffels CNA Invest Currie Finance.	7,0 ,
			9ASF 113	7: -0.6	Fagersta Fortia (Free)	14B	-2 -3	Alinomoto	794		De Segrs Driefontein	29.0
AUSTRIA			Bayer-Nypo 910 Bayer-Verein 675	9 -1.1	Mo och Dom	134	+3	Amoda	441	+11	F9 G eduid Gold Fields SA Highvald Steel	36 —0.75 82.5 4.85 +0.25
			8HF-Bank	빠 +1	Skandla Skan Enskilda	650 290	+9	Bridgestone Canon Glüzen	276	+9 · +1 +1	Hedbank	58.9 6.5 +0.05
Aug. 24		+ or	Gommerzbank	5 -0.4	St Kopperberg. Sven Handelsbr	251 108	+1	Daiei DKB Oal Hippon Ptg	484 625	+10	OK Bazzars Protea Hidgs Rambrandt	2.35 +0.5
Creditanstalt		+1	Daimler Banz 503 Oegussa 915	+0.7 +5.5	9wedish Match Volvo B (Free)	116	-1 -1	Daiwa House Daiwe Selko Ebara	582 590 335	-9 	Rannies Rustenburg Sage Nidg	4.30
Perimooser 5emperit	271	—1 —3	D'sche Babcock. 152 Doutsche Bank. 259	-2,3				Elsai	211 3 870	+2 +170	SA Brews Tiger Cats	19.5 +0.25
Stayr Daimler Veitscher Mag	140		Oresdaer Bank 124	-1 -2	SWITZERLAN	Ð		Fuji Bank Fuji Film Fujisawa Green Gress	1,41D 1,003	- +40	Tongaat Huletta Unisec	. 7.4 +0.05 . 3.95
			GHH	+0.5		Price Fre.	+ or	Green Gross Hasegawo Helwa Real Est	1,890 4 6 9	+10 +9 +6	Financial Ra (Discount	nd US\$0.761
		`	Hoechst	4 +0.2	Alusukse	412	+13	Hitachi Hitachi Koki	604	+2	BRAZIL	
BELGIUM/LUX	CEMBC	URG	Horten	· 3,B	Ciba-Golgy	_i 1,270 ₁	+15 +20 +10	Honda Housefood	717 938	+5	. Aug. 24	Price + or
			Kaufhof 125	5: -0.5	Gredit Suisse	1.660 2.260	+15 +10	Hoya Itch (C) Ito-Ham	263 350	+9 +5 -10	Acesita	Cruz
Aug, 24	Price Fre.	+ or	Kloeckner	.5 -0.8	Haff-RockePtCt	59.000	+1,250 +1,250 +125	JACCS	220	+19 -4	I Renan Remail	. 15.45 ÷0.00
ARBED		3 J 54	Lufthansa	.9 —0.4	1 4 4 11 11 At 1 44 44 44 44 44 44 44 44 44 44 44 44 4	1,570	+90	jusco Kajima	560 31B	1 -1 -1 -1 -1 -1 -1 -1 -1 -1 -1 -1 -1 -1	Belgo Min	7.55 +D.15 7.20 +0.68 2.48 -0.02
Ciment BR	1,52	+40	Mannesmann 131 Mercedes Hig 277	.5 0.5 .5 1.0	Nestio	5,230	+50	Kao Soap Kashiyama	664	-1 +4 -5	S SOUTS - LUS	11.00 -0.10
Cockeriii E9E2 Electrobei	1.80	+30	Muench Rusek 935	i —5	Pirolli	224 3,975	47	Kikkernan Kirin Kekuyo	362 873	: +2 +3	Unipar PB Vale Rio Ooce	16.00 +0.30
Fabrique Nat G.2, Inno	9,70	5 - 20 0	Preussag 179 Rhein West Elect 170 Rosenthal 217 Schering 271	.4 —0.9 .5 —0.5	Sandoz (Pt Cts) Schindler(Pt Cts Swissair	s) 258: 655	+3 +6	Komatsu Filit Konishiroku	463 340			163.2m.
GSL (Brux) Oevaert Hoboken	1,730 6,36	2 +12 0 +15 0 +80 B +49	Schering	2 +1.7 1 +0.1	9wiss Bank, Swiss Reinsce Swiss Volksbk:	6,100	+7 +25	NOTES Pric		this	D470 270 20 C	ie isne ro 5E.
Intercom Kredietbank Pan Hidos	. 4,19	B +49 0 +49	Veba	.1] — 1.1	THE PERSON NAMED IN	9,880	+95	individual excha	nges e	00 are	lest traded pri- xc Ex scrip issue	COO. 5 Decksor
			Volkswagen 157	.oj +0.3	CUITEII INDIA	ان د در د د ب		122				in the

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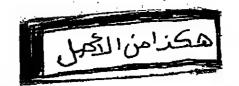
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Gilt-edged falter despite cut in money market rates Economic worries override Wall St and equities fall

resulting losses were relatively modest when compared with the sharp gains of the past week or so, and occurred in a more sensitive market. London equity markets, meanwhile, staged another unimpressive performance with leading shares failing to hold marked early firmness, a reflection of the nvernight Wall Street trend, and closing lower

Confidence in Gik-edged appeared to wave in the face of firmer abort-term U.S. interest rates overnight. Dealers opened quotations lower anticipating profit-taking, but selling was not unduly heavy and a rallying tendency developed.

The recovery gained momen-tum when the authorities cut their intervention rates in UK money markets vesterday, signal-ling approval for another reduction in clearing bank base rates.
As a result, long-dated Gilts reduced early falls ranging to 14 points to half that amount at the close. The shorts finished with losses extending to a and the Government Securities index gave up 0.40 at 78.52.

Sentiment in the equity sectors remained sensitive to current fears about the UK economic outfears about the UK economic outlook. Thus, the strong overnight performance of New York again previous day's mixed performance of make a lasting impressible to make a lasting impressible to Pearl softened 2 to 412p.

HIGHS AND LOWS

Industrial Ord.....

Gold Mines.

FINANCIAL TIMES STOCK INDICES

512.5 514,4

P:E Ratio (net; (*)...... 10,39 10.48 10,63 10,36 10,53 10,17 13.85 Total bargains....... 23,876 23,814 25,652 26,890 27,682 19,274 17,618

Equity turnover 2m. - 152.47 179.04 160.85 272.30 128.55 119.93 Equity bargeins...... - 18,556 15,924 18,449 19.530 11,902 19,984

10 am 582,9. 11 am 573.5. Noon 573.8. 1 pm 574.4. 2 pm 573.8. 3 pm 573.2. Pasis 100 Govt, Secs. 16/10/28. Fixed Int. 1928. Industriel 1/7/35. Gold Mines 12/9/56. SE Activity 1974.

Latest Index 01-246 8026. *Nil=9.63.

Since Compilatin

Govt. Secs... 78,92 61,89 127,4 49,18 Git Edged Bargains... 396.0 378.3 (5/1)

High | Low | High | Low

Aug. Aug. Aug. Aug. Aug. 23 20 19 18

78.92 78.15 76.88 77.80 78.49 64.09 77,05 77.98 77,53 76,95 76,57 76,09 66,13 571.0 676,5 580.6 569,7 879,2 558,2 649.1

505.8 283.7 282.8 270.0 354.8

Account Dealing Dates
Option

First Declara Last Account
Dealings tions
Option

Early gains of several pence in leading shares were soon replaced by small losses as insti-Dealings tlons Dealings Day
Aug 16 Sept 2 Sept 3 Sept 13 Sept 27
Sept 6 Sept 16 Sept 17 Sept 27
Sept 20 Sept 30 Oct 1 Oct 11

" " New pme" dealing may take place lam 9 am two business days sanier.

The recent heady advance in Government stocks faltered yesterday. Nevertheless, the seculting losses was relatively.

Rustrating yesterday's volu-tility, a rise of 6.3 at the 10.00 am calculation of the FT 30-share 3 points an bour later. This measure held at around that level until the late trade when the fall was extended to 5.5 at

Standard easier

Fresh weakness in Hong Kong prompted a sympathetic decline in Standard Chartered, which in Standard Chartered, which has substantial Interests there, the close being 10 down at 380p. Hong Kong and Shanghal softened a penny to 90p despite the increased interim earnings. Discount Houses succumbed to light profit-taking. Cater Allen gave up 5 at 355p and Jessel Toynbee 2 at 70p as did King and Shaxson at 1120. Gillett Ross. Shaxson at 112p. Gillett Bros. also finished a couple of pence off at 185p following the interim report. Merchant banks, how-ever, were inclined barder in places. Kleinwort Benson put on 3 to 247p and Hambros edged

forward 2 to 112p.

London United Investments, at 197p, recorded an above-average gain of 7 among quietly firm Composite Insurances. GRE, the next to report half-yearly figures

550			
500 -		MI	A -
450-		+	12.92
400	~		
350 -		ENGIN CONTR	EERING ACTORS
300 -		F.TACTU/	RIES INDEX
250	\checkmark		11111111111
250	1980	1981	1982

Legal and General added 4 at 381p and Prudential improved 3 172p.

Initial support for Breweries soon petered nui and the leaders drifted lower in a subdued business. Whitbread eased a couple of pence to 129p, as did Allieddrifted lower in a subdued business. Whitbread eased a couple of pence to 129p, as did Allled-Lyons to 123p. Bass, up to 258p at the outset, closed a penny lower on balance at 253p. Elsewhere, cider manufacturers succumbed to scattered profittaking and H. P. Bulmer shed 10 to 505p. while Marradeur Wine to 605p, while Merrydown Wine, dealt in the Unlisted Securities Market, disped a few pence to 175p, Distillers remained dull at 197p, down 2, but Highland con-tinued to attract small support and rose that much to 100p.

Trade in leading Buildings contracted and the tone became irregular. Barratt Developments edged up a few pence to 319p. but Taylor Woodrow gave up 5 at 535p and Costain shed 3 at at 535p and Costain sned 5 at 242p. Blue Circle touched 403p before closing unaltered at 400p; the interim results are due inday. Elsewhere, Fairclough Construction put on 7 to a 1982 peak of 190p in response to the good balf-timer and Board's condop; the interim results are due may. Elsewhere, Fairelough Construction put on 7 to a 1982 peak of 190p in response to the good half-timer and Board's confident statement. Travis and Arnold met with renewed support and gained 6 to a high for the year of 204p. Mixconcrete, in receipt of a 155p per share cash bid from Pioneer Concrete, put on 6 to 168p on talk that an increased offer for the company could he imminent. The agreed disposal of the company's oreporty and building finance interests made no apparent impact on Allied Residential, which held at 12p.

Marked up a few pence at the outset, ICI encountered a certain amount of selling and reacted to close a net 6 down at 286p. Amersham slipped in 248p before settling 2 cheaper nn halance at 24fp, while Yorkshire Chemicals, Interim results due on Friday, ended a penny lower at 43p.

Stores idle

Marked a couple of pence

while Vickers cheapened 3 to 119p, bit shed 2 to 100p. Elsewhere, occasional selling clipped 4 from Great Portland Estates, at 160p, and 3 from Stock Conversinn, at 295p, but Slough Estates, at 160p, and 3 from Stock Conversinn, at 295p, but Slough Estates remained at 101p awaiting today's interim results. Slough Estates remained at 101p awaiting today's interim results for a penny to 6ip despite interim profits. In line with market estiment, lost the lurn at 80. By way of contrast, Fife Indmar firmed 4 to 125p in response to increased interim profits.

Selected Foods coordinued to attract attention. Rowntree Mackintosh rising 4 further to a constant of selling and reacted to close a net 6 down at 286p.

Amersham slipped in 248p before settling 2 cheaper nn halance at 219p, but Northern expected interim results from Great Portland Estates, at 160p, and 3 from Stock Conversinn, at 295p, but Slough Estates agents Pairton; Mollons gave up 5 more at 138p. Davy Corporation reling that the similar profits in Hall, 127p.

Simon 360 and Selecting the proposition reling that the similar profits in line with market estimates, but McKay Securities close

Stores idle

Marked a couple of pence firmer at the opening, leading Stores failed to attract any with small falls. Profit-taking prompted an easier tone among Electrical retailers, Currys shed-

same amount in 298p, after 305p; the latter's interim figures are due on September 8. Elsewhere, United Scientific fell 7 to 350p United Scientific 641 7 to 350p and Automated Security lost 6 to 241p. Whitworth, on the other hand, rose 7 to 144p on demand ahead of the annual results, scheduled for September 2. Eurotherm were quoted ex the rights Issue at 488p, up 8; the new nil-paid sbares opened at \$20 perspium and closed at \$22p. 88p premium and closed at 92p

Dull conditions returned to Engineerings, sentiment heing unsettled by the lay-offs at BL and the threat to jobs at Brilish Steel. GKN, which supplies forglogs and transmission parts to BL, gave up 4 at 143p. Hawker lost the same amount at 348p, while Vickers cheapened 3 to 141p and TI shed 2 to 100p. Else-

4 at 133p. Recently-firm Linfood succumbed to profit-taking and shed 4 to 216p, while Avana lost 5 to 350p for the same reason. After the previous day's gain of 18, Hazlewood, a thin market, reacted to 288p before closing a move 21 202p. net 6 down at 292p.

quently met with selling and 5 for a two-day gain of 12 at came back to close 4 cheaper on 282p, and Allifund Capital rose halance at 272p. On the other hand. Ledbroke attracted demand ahead of next Tuesday's were much as expected, but the latering partition and closed 3 are other factorial ways and closed 3 are other factorial between 213p. interim results and closed 3 up

Euro Ferries firm Marked up at the outset, miscellaneous industrial leaders retreated as huyers failed to appear and the gift market opened lower. Unliever ended 10 down at 610p and BTR dipped 8 at 326p, while Beecham gave up 6 at 299p and Glaxo dipped 5 to 765p. Secondary issues had European Ferries up 34 more at 67p on further consideration of the Government's approval to redevelop the St Mary Overie's Dock site at Southwark. Lep rose 5 afresb to 435p hut AGB Research, still unsettled by Research, still unsettled by adverse comment, declined 5 more to 270p. British Aerospace were fairly active and 3 cheaper at 237p, after 244p, while J. Bihby gave up 10 at 270p and Smiths Industries relinquinshed 7 at 245p. Awaiting today's first-quarter figures, Johnson Mathey eased 5 at 255p. Far-eastern influences hrought fresh falls of 8 and 11 respectively in Hutchlson Whampoa, 108p, and Jardine Matheson, 137p.

The proposed cut-backs in the group's small car production un-

group's small car production un-settled BL distributors. Healys, SSp, and Lex Service, 139p, gave up 4 apiece, while Kenning eased

2 more to 71p.
Among advertising agencies,
Good Relations rose 6 to 101p
on the interim statement, while Geers Gross added 4 more at

Quiet conditions prevailed in Properlies and the leaders closed a shade firmer. After the previous day's fail of 9, MEPC opened higher at 190p before settling a penny dearer on halance at 188p. Elsewhere, occasional selling clipped 4 from Great Portland

terim profits helped LASMO to close 3 dearer at 343p, after 385p, while Charterhouse Petroleum galned the turo to 81p, also on half-year results above markel Investment Trusts continued to move against the trend and

Marked up to 281p at the out- finished with modest gains, set, Grand Metropolitan subse- Continental and Industrial added shares fluctuated between 213p snd 203p hefore settling with a net rise of 2 st 210p. Akroyd and Smithers added 2 more at 285p, still benefiting from the increased setivity in gilts.

Shipping were breatler P &

Shippings were lrregular. P & O Deferred remained under pressure and gave up 4 more to 153p; the interim results are expected early next month. Ocean Trans port eased 2 to 92p, but British and Commonwealth added that much at 490p; Caledonia rose 7

Golds easier South African gold shares finally ran out of steam after rising for nine consecutive sessions. Profit-taking, despite hy the hullion price, came mainly from Johannesburg and the U.S Il left teading issues showing losses of around a full point. Lower-priced issues also encountered profit-taking and the Gold Mines Index registered a small decline of 1.9 at 312.5. The hullion price was finally \$18 higher on balance at \$411.5

an ounce, having moved erration ally between \$418 and \$404 dur ing the day.
South African Financials were featured by De Beers, which after opening at 256p dipped sharply to 227p immediately following news of the reduced interim dividend, before rally log

strongly to close a net 16 cheaper at 242p.

London Financials attracted persistent and sizeable profit-taking. Gold Fields, one of the

best recent performers in Lon-don stock markets, dropped 15 to 463p, while Rio Tinto-Zinc gave up 7 at 433p and Charter 2 at 203p, Platinums were aggressively

hought at the outset, reflecting the recent advance in the free market platinum price, but closed well helow the day's best levels following the emergence of sustained profit-taking from Johannesburg and New York.

Impala were finally 14 to the good at 284p, after 292p, while Rustenburg closed a net 6 firmer at 192p, after 200p and Lydeoburg 8 up at 154p.

Business in Traded Options remained relatively low with 1.594 contracts done. One again

gold shares attracted the lion's share of the trade. Vaal Reels — dealt in SUS — recorded 172 calls and 44 puts, while Cons. Gold Fields recorded 147 calls. RISES AND FALLS

YESTE		Y	
aritish Funds Corpus. Dom. and	Rises 3	Falls 78	Same 12
Foreign Bonds	163	9 294	61 a71

•		URRES	Lank	241110
	Aritish Funds Corpus, Dom, and	3	78	12
	Foreign Bonds	6	9	61
	Industrials	163	294	a71
•	Financial & Props.	123	84	305
	nils	22	34	52
	Plantalions	. 1	3	18
	Mines	46	44	65
	Others	68	28	52
	Totals	432	572	1,436

RECENT ISSUES

EQUITIES

l	elizele Price P	d tra	Itest ate at	19		81ock	200	¦ ;+ o≀	ig tage	Mos Veres	Grots Yield
I.		¥8		High	Low	i 	5 °	<u> </u>	ਕੂ ਹੈ ——	Få	جن
	 33 436 44	F.P. F.P. F.P.	30/7 - - 7/9 10/9	46 24 8 78 45	75 11 54 24 71 ₂ 44 58 29	#Anglo-Nordic Sp Antofagasta Hidge#1 Argyli Foods Warr 1s. Atlantic Res. Int	75 18 39 23 71 ₂ 71 45 29	+1 -10 -1 +1	7.0 - 0.65 u1.5	3.6 1.3 - 3.2 2.4	4,8.7 8.3, 7
١.	80 6110 660 5137 9120 95	F.P. F.P. F.P.	24/9 17/9 6/8 30/7 27/8 24/9	58 182 60 197	67 48 163 160 163 170 20 51 11	*Eceptic New Ord!! On Noid Haddson Pol. Int. 5p Haddson Pol. Int. 5p Haddson Pol. Int. 5p Haddson Pol. Int. 5p Multitone Elect Pactrol Electronics RIT & Northern Warts Rowe Evans Inv. 10p. Shenaton Soca 18p. Walker I Alfred; 10p. Yelverton Inv. 8p.	60 52 160 55 195 175 25 31 111 ₂	±5 —1	u4.0 bd 1.0 b6.75 u2.52 F3.5	1.8 3.0 2.7 3.4	2,6 7.

FIXED INTEREST STOCKS

0010 F.P. 29/7 100 to 05 Signite 145 Cav. Una. Ln. 92 99 100 F.P. - 1005; 99; Nationwide Edg. Soc. 1175; (15:8:23; 100); 100 F.P. - 100; 100; 100. 00. 114; 30.5:85 100; 10	Issue price £	Amount paid up	Renuna date	1982 High Lo	åtock		Closing price &	+ o
	100 100 100 99,345 100	£20 F.P. F.P. £25 F.P.	įΞ	295; 21 ,100 - 05 1005; 95 100 - 100 545; 24 1081; 100	4 Australia 131,5 Ln. 2010. Cionite 145 Cnv. Una Ln. 92 [Nallon 146 Cnv. Una Ln. 92 [Nallon 145 Cnv. Una Ln. 92] Do. Oo. 111,5 30.5.85 [S New Zealand 141,5 1667 Portamouth Water 145 Red. Rei	.8.23i. b. '92.	30 99 100 100 107	_:;;"

"RIGHTS" OFFERS

issue 55		Lalest Renunc.		1962		: - Stock	irlig 100 P	+0
price P	₹ g	•	216	High	Low	-j Stock	52	
180 100 103 400 78 25	F.P. NII F.P.	J —	22:10 17:9 17:9 5:0	247 140 122 92pm 84 2512	80 21	Automated Security 10p 14Betkeley Exploration £1 Blundell Permoglaze Eurotherm Int, 10p Goal Pet, 5p Lensk & Cartell Pastrol Electronice	101 92pm 84	+2

Renunciation data namely test day for dealing Irao of atomo duty. It figure based on prospectus estimate. If illuidand rate paid or payable on part capitals cover based on devidend on the capitals. If Assumed devidend and yield indicated dividend; cover referes to previous devidend. P/E ratio based on late I indicated dividend; cover referes to previous dividend, P/E ratio based on lettest annual serrangs. If Forecast dividend; cover based on provious year's samples. Finvidends and yield based on prospectus or other efficiel estimates for 1953, Q Gross. I Figures ensured. P Figures or report awaited. ‡ Cover allows for conversion of oberes not now reaking for dividend or racking only for restricted dividends. § Placing prize. P Pance coless otherwise indicated. † Issued by tendet. § Offered to holders of ordinary shares as a "rights." ** Issued by wey of capitalisation. §§ Reintroducted. ¶ Issued in connection with reorganization merger or take-over. §§ Istroduction. ☐ Issued to former pretarance holders. ■ Allotment letters (or fully-paid). Provisional or partiy-paid ellotment letters. † With warrents. † It Besings under apacial Rule. § Units es Securities Market. ‡ London Listing. † Effective Issue price after scrip. † Formatly dealt in under Rule 163(2)(a). † † Unit comprising Ove ordinary and three Csp. shares. § Issued free as an entitiement to ordinary holders.

ACTIVE STOCKS

Above average	aclivity v	was noice	d in the lallowing stacks y	esiciday	
oprived Lyons	Closing orice pence 123 299 299 207 463		Stock Grand Met	Closing price poace 272	Day's change - 4 1, + 3 1, 4 4
Bases Cald	242	- 18	Plasse	570	2

MONDAY'S ACTIVE STOCKS

Based on bargeing recorded in SE Official List

	N.	fonday'	5		N	Jonday'	Ğ
	No. of				No. ol	closing	
	price	D/IGE	Day's		price	price	nay'
Stock	changes		change	Stock	changes	pence	chong
larmony		667	+17	BP	. 11	280	– 2
aal Reefs	4.5	£34%	- 15g	GEC	. 11	2104	-
ns Gold Flds		479	÷ 9	Imperial Grp	17	97	÷ 1
rend Mai	12	276	- 2	Ruoty Pontand	11	86	- 5
CI		292	_	Thorn EM!	11	44Ö	_
TZ		440 .	_	Oistillets	10	193	- 7
ssor Oarries		150	_	Racal Eloc	10	523	- 5

FT-ACTUARIES SHARE INDICES

S.E. ACTIVITY

Aug. Aug.

These ladices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS	1	Tues	Aug 2	4 198	2	Most Aug 23	Aug 20	Thurs Aug 19	Apg 18	Year ago (approx.)
	& SUB-SECTIONS	<u> </u>		Est. Earnings	Gress Div.	Est.	1				1
Fig	ures la parentheses show number of stocks per section	Index No.	Day's Cleange	Yield %		Ratio (Net)	Index No.	fredere No.	Index No.	Intlex No.	ladex No.
1	CAPITAL 60005 (209)	410.58		9.35	430	13.34					
. 2	Building Materials (23)	345.75	+0.4	11.81	5.33	10.22		346.68		359.65	322.90
. 3	Contracting, Construction (28)	644.03	+0.1	13.61	1.79	8.79 19.74		66L80		649.78 1668.81	599.76 1212.48
4	Electricals (31)	1628.57 472.82	-0.8	13.89	6.40	3.69		476.98		473.15	498.60
5	Engineering Contractors (11)	201.68	-1.2	11.99	5.84	10.00	264.87	293.78	260.68	262.68	211.13
6	Mechanical Engineering (67)	152.64	-18	1231	7.95	10.07	195.37	155.90	15251	153.67	166.73
8	Moores (20)	86.66	-16	3.05	2.65		81.96	83.44	81.12	12.45	19125
10	Other Industrial Materiels (18)	345.93	-0.9	10.67	6.15	11.47	350.28	250.55	347.58	348.71	368.58
21	CONSCIONER GROUP (202)	333.06	-0.6	11.99	5.24	10.10	335.12	335.46	329.15	333.22	284.72
22	Brewers and Distillers (22)	375.11	,-1.0	12.71	5.54	9.56	376.7B	3EL76	37L96	376.66	295.07
25	Food Manufacturing (22)	253.65	-0.5	15.96	641	7.32	265.02	285.05	281.62	283.39	267.29
26	Food Retailing (14)	711.19	+8.1	8.39	3.16	14.62	710.46	745.62	696.17	698.44	530.27
27	Health and Household Products (9)	512.96	-12	6.75	3.32	17.46	518.25	515.49	307.27	511.60	349.16
29	1 signer (23)	428.73	+0.3	9.82	5.47	12.91	477.28	44.6	475.15	45.37	453.52
32	Newspapers, Publishing (13)	528 51	-6.1	12.64	5.94	19.37	529.07 139.65	521.25	529.88 139.86	590.05 142.32	151.55
33	Packaging and Paper (34)	138.16	-0.6	17.65	6.05 4.66	13.67	30.55	30.6	294.11	298.69	254.38
34	. Stores (45)	299.83 166.71	-0.4	9.72 13.91	6.44	8.74	166.63	164.25	164.02	166.45	161.00
35	Textiles (23)	300.95	-12	22.94	7.93	4.57	253.11	152.93	349.57	338.49	MARI .
36	Tobaccos (3)	264.14	-0.4	648	593	30.45	265.17	253.25	261.00	251.26	268.65
39 41	Other Consister (1.4)	257.65	-0.5	13.14	655	9.15	259.66	259.15	257.17	259.00	251.37
42	Charitests (15)	333.06	-ii	14.77	7.19	8.05	336.95	337.23	333.60	356.31	288.62
44	Office Equipment (4)	99.77	-8.6	16.30	8.75	7.53	100.40	99.66	300.05	142.26	112.59
-	Shipping and Transport (13)	569.67	+0.3	13.70	7.17	9.57	56.15	34.5	561.52	565.88	529.85
46	Miscellaneous (44)	344.53	-02	11.28	5.51	10.63	365.22	345.61	343.77	347.99	300.53
49	INDUSTRIAL CROUP (487)	348.80	<u> -05</u>	11.15	4.97	10.95	330.58	五五	344.50		305.24
51	Olds (13)	676.16	-14	23,41	8.57	4.84	647.79	693.71	67L87	672.08	722.50
59	500 SHARE INDEX	375.83	-6.6	12.91	5.49	9.27	378.24	379.39	373.14	377.美	339.66
줎	FUNANCIAL GROUP (ILT)	251.66	-6.1	_	6.87	+	20,22	252.66	245.56	251.98	273.24
12	Banks(6)	257.73	-0.4	39.32	9.2B	2.00	25L20	261.81	259.47	257.64	275.75
53	Discount Houses (9)	289.69	-0.3		8.32	_ i	281.66	256.06	272.66	276.21	278.49
5	Interance (Life) (9)	287.25	+0.6	_ !	6.37	- 1	285.53	201.54	27L92	270.28	288.35
6	Insurance (Composite) (2.0)	261.25	+82	_ 1	5.80	- 1	158.87	160,21	157.58	157.92	383.21
7	Inturance Brokers (7)	520.05	-0.3	10.73	4.99	12.73	521.72	523.95	523.60	524.27	428.25
8	Merchant Banks (12)	143.29	+86	_	6.19	I	12.6	140.88	141.51	143.57	171.93
9	Property 149)	426,45	-0.1	5.41	3.79	24.74	428.89	450,22	427.59	432.24	406.77
70	Other Financial (15)		1.0	18.68	7.05	617	14.52	147.36	1624	16611	191.28
ă l		308.85	+0.3	_ 1	536	_	30.97	383,65	メルカ	30250	324.99
	Mining Finance (41	223.39	-21	1415	635	8.85	228.29	225.47	236.25	219.89	273.02
			-04	24.23	8.72	8.57	36.59	362,39	X137	367.22	426.29
	CACLEGE (LETEL) / TOTAL TOTAL CONTROL OF CON		-0.5		5.77		345.36		200 20	202 00	326.50

-			- <u>-</u> -				_				•	
	Fi	XED	INTE	REST			AVERAGE EROSS REDEMPTION YIELDS			Tues Aug 24	Mon Ang 23	Aste.
. - /	PRICE HOICES	Toes Aug 24	Day's change %	Mon Ansi 23	nd adj. today	xd add 1982 to date	1 2 3	Brillate Speer Low Company	5 years	9.97 19.57 19.51	8.95 18.56 38.76	12.58 13.56 13.61
1 2 3	Systems 515 years Over 15 years Irredesystics	117.5% 127.25 131.80 137.20	-8.32 -8.49 -8.27 -0.71	11836 127.67 134.58 134.17	_ _ &41 _	8.22 9.16 9.86 7.27	4 5 6 7 8 9	Medium Coupons High Conpons Irredocumbles	5 yers	11.42 11.64 11.67 11.64 11.38 10.88	11.35 12.99 12.95 11.56 11.56 11.56 11.56	14.66 15.38 14.89 14.94 15.56 15.11 12.13
- 5	Al Stocks	126.05 99.94	-8.37 +8.80	136.65 99.34	0.72	9.63	11 12 13	Date & Lean	5 years	12.23 12.52 12.59	12.28 12.74 12.81	15.96 15.96

NEW HIGHS AND LOWS FOR 1982

NEW HIGHS (101) BRITISH FUNDS (2) BRITISH FUNDS (2)
CDRPORATION LOANS 171
COM'WEALTH & AFRICAN LOANS 11)
LOANS 121
FOREIGN 2UNDS 11)
AMERICANS (18)
CANADIANS (2)

BEERS (11 CHEMICALS IT INDUSTRIALS (13) INSURANÇE (2) LEISURE (2)

NEW LOWS (26)

STORES (21 Lowland Braper ELECTRICALS (1) ENGINEERING [11]
rods. Ratcliffs (G.2.)
hr) Redman Heenan
Tex Abrasives Wadkin
Walker (C. & W.1

MOTORS (1) SHIPPING (1) DIL & GAS (3)
Credo Petrolesm Weeks (Berinud:
Sovereign Oil

MINES (1)

PLANTATIONS (1)

OPTIONS

Last Deal- Declara- Settletion *me*nt ings Aug 23 Sept 3 Nov 25 Dec 6 Sept 13 Sept 24 Dec 9 Dec 20 Sept 27 Oct 8 Dec 23 Jan 10 For rate indicotions see end of Share Information Service

Activity in Options increased quile sharply and calls were completed in Ault and Wiborg, Mitchell Somers, Raglan Property, Turner and Newall, First National Finance, Lonrho, ICL, Brunswick, Plessey, GKN, Eagle Star, New Court Natural Resources, Jardine Matheson, De Beers Deferred, Australian Consolidated Minerals, West Rand Cons., North Kalgurli, Western Mining, South African Land, Venterspost, Cons. Gold Fields and Hartcheest. Puts were taken out in Ward and Gnldsinne, Barclays Bank and No doubles were Elsburg. reported.

APPOINTMENTS

Senior post at De Beers

was appointed deputy chairman of DE BEERS CONSOLIDATED MINES at yesterday's board meeting. He is deputy chairman Corporation, chairman of dcnt, has been appointed Minerals and Resources Car-CHEMICAL BANK'S senior poration and Anglo American credit officer for Europe. He Gold Investment Company. He was senior credit officer for vice-chairman Barclays National Bank.

Mr E. Pbillp Chappell has been appointed a director on the Loodon board of the BANK OF NEW ZEALAND from October 1. Mr Chappell, a director of Morgan Grenfell and Co, had board of the bank for a number of years, being first appointed in

Mr Maurice Glynn, managing Publications, has been appointed director of AMERICAN CAN group assistant managing (UK), has been appointed the first British chairman of the first British chairman of the parent EAST board. He continues as chief ALLIED PRESS.

sales and marketing director, has become an executive

Mr Pani A. Walton, vice presi-

director of

London, with regional responsi-bility for France, Scandinavia and the Republic of Ireland. His successor in London is Mr Jordan Taylor, who took up his responsibilities in early August. Mr
Taylor was previously based in
Madrid, and was Chemical Bank's
regional credit officer for
southern Europe—Italy and

Mr Robin Miller, managing irector of EMAP National group assistant mausgand director (publishing) of the parent EAST MIDLAND ATTIED PRESS. He will

newspaper division with Mr David Lankester as managing director of that division. Mr
Lankester became assistant
managing director of EMAP
Provincial Newspapers in 1978. Mr Alan V. Dodman, chairman

and managing director of FIRTH CARPETS and chairman of Firth Furnishings, has been appointed to the board of READICUT INTERNATIONAL, the parent

Mr Tom Watts will be joining the board of JARROLD & SONS as a non-executive director to replace Mr R. A. Parker who has retired. Mr Watts was chair-man of the Accounting Standards Committee of UK and Ireland. Mr Michael S. Crowcroft has

been appointed a director of TRAFALGAR HOUSE DEVE-LOPMENTS HOLDINGS. UNITED LEASING

main board directur.

The PORT OF LONDON AUTHORITY bas appointed Mr Keith McNeisb as director of persoonel and an executive member of the board. He joins

continue to be responsible for PLA on September 1. He is a the consumer magazines, but will deputy personnel unanger at also look after the provincial National Wesiminster Bank. Mr Arthur Geoffrey Robinson has been re-appointed chairman of the ENGLISH INDUSTRIAL ESTATES CORPORATION for 2

further period of one year from November 19. Also appointed are three new part-time members to the hoard. They are Mr Harold Leon Waterman; Mr Rouald Nurman and Mr Gavin Dick, Mr Robinson who has been chair-man of the EIEC since 1977, is also part-time chairman of the Medway Ports Authority. Mr Waterman is a consulting engineer, and the senior partner in H. L. Waterman and Partners. He is also deputy chairman of Redditch Development Corporation. Mr Norman is the chairman and managing director of Cecil M. Yuill. Mr Dick is an under-secretary in the Department of

Mr Rohin Untion has joined the board of ASSCCIATED has BOOK PUBLISHERS in a nnnappointed Mr. Peter Alkin a executive capacity. He has main board director.

* executive capacity. He has recently been appointed director-general of the Accepting Houses Committee.

Industry.

Mr Michael Clobose: has been appointed a directo BRUNNINGS BRISTOL.

CONTRACTS

£2.4m factory work for Babcock Woodall-Duckham

handling design, procurement distributor Tamimi Commercial raulic testing machines—one a and construction for a factory for Vehicles, is for 30 three-axle trac-the Co-operative Wholesale tor units plated to operate at 57 machine and the other a specially Society al Worksop in Notting tonnes gtw. The trucks have designed horizontal machine with hamshire. The factory, producing been purchased by the Saudi-various types of glass container. British consortium Taseco-TMS, machines will be installed in a will replace and extend parts of a part of the Tamimi group. will replace and extend parts of a part of the Tamimi group. CWS's existing production facilitles. The £2.4m project is due to be phased into operation dur-

iog August 1983. Baheock Woodall-Duckham is of utilities and electrical services verts at Burton-upon-Trent. The for the whole project with the CWS Glass Operation Manage-ment being responsible for overall co-ordination and the supply coinciding lines with a precast and installation of the production, inspection and packing flow characteristics. machinery.

A £436,000 contract has been awarded to the Midland regional office of BOVIS CIVIL ENGIN-EERING, by East Staffordshire handling the civil and construc- District Council to reconstruct tion work as well as the provision Moor Mill dam flood water culcontract involves the breaking out of an existing three ring hrick culvert and replacing it on concrete box culvert with high

The structural testing division ERF has won an order worth of INSTRON has received an WIMPEY is busy with a single

BABCOCK WOODALL-DUCK- around film to supply trucks in order worth £350,000 from Leeds HAM has been appointed project Saudi Arabia. The order, con-manager and main contractor firmed by ERF's Saudi Arabian computer controlled, servo-hydtory being built and equipped with funds given by the Clothworkers' Foundation of the City of London.

> UNDER A contract worth £1.5m JARVIS will provide three oew courts at the Royal Courts of Justice in the Strand London WC1 for the Lord Chancellor's Department. These will comprise judges' rooms, clerks' rooms. secure corridors, public waiting areas, consultation rooms and other snelllary accommodation.

storcy block of shop units and some office accommodation valued at £424,000 for West Swindon District Centre Phase II, and the construction of a warehouse worth £370,000 for Norcross Security Plan on the Cardiff Industrial Park at Llanishen.

THE OLD town hall at Hammersmith is having its roof refur-bished under an £800,000 contract awarded to the DEE CEE CONTRACTS GROUP.

SIR ALFRED MCALPINE & SON has started on a £1m exten-sion to Telford (Shropshire) town centre which will provide a 50,000 sq ft development with 14 ground floor shops with base ment servicing and include 27,000 sq ft of office units in two storeys above the shops.

Legal and General Assurance Society has placed an order worth £1m with AMDAHL (UK) for a 470V/8 computer, to he installed in November.

BOVIS has an £865,000 contract from the MEPC Group to build a radio station on the roof of the Friary Shopping Centre in

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stanc: and to Y251.75 from Y254.50 against the Japanese ven.

STERLING — Trade-weighted index 91.8 against 91.6 at noon, 91.7 at the opening. 91.6 at the previous close, and 90.8 six months ago. Three-month interbank 10\frac{1}{2} per cent til4 per cent stx months ago. Annual lnflation 8.7 per cent (92 per cent previous month) — Sterling opened at \$1.7475-1.7485, and fell to a low of \$1.7460-1.7470 in early trading, but then rose steadily to around \$1.7550 in the early alternoon, and a peak of \$1.7680-1.7680 in late trading, before closting at \$1.7670-1.7680, a rise of 2.10 cents an the day. The pound eased to DM 4.28 from DM 4.2850: 10 FFr ti.38 from FFr 11.99; and to SwFr 3.6175, but rose slightly to Y444.75 from Y444.50.

D-MARK — EMS member (weakest). Trade-weighted index 125.7 against 125.2 on Monday, and 121.9 slx months ago. Three-month inferbank 8.60 per cent (10.225 per cent six months—ago). Annual inflation 5.6 per cent (10.225 per cent six months—ago). Annual inflation 5.6 per cent (10.225 per cent six months—ago). Annual inflation 5.6 per cent (10.225 per cent six months—ago). Annual inflation 5.6 per cent (10.225 per cent six months—ago). Annual inflation 5.6 per cent (10.225 per cent six months—ago). Annual inflation 5.6 per cent (10.225 per cent six months—ago). Annual inflation 5.6 per cent (10.225 per cent six months—ago). Annual inflation 5.6 per cent (10.225 per cent six months—ago). Annual inflation 5.6 per cent (10.225 per cent six months—ago). Annual inflation 5.6 per cent fixed per cent previous month—the D-mark was very firm against the weak dollar in Frank-furt yesterday, helped by a smaller than expected current scount payments deficit in frank-furt yesterday, helped by a smaller than expected current scount payments deficit in frank-furt yesterday. helped by a smaller than expected current scount payments deficit in

The dollar weakened sharply despite a slight rise in Eurodollar interest rates. The downward trend of the U.S. currency was encouraged by better than expected trade figures from the UK and Germany, lower U.S. inflation, and a further injection of \$11\text{bn}\$ by the Federal Reserve to the U.S. banking system.

Sterling rose by over 2 cents against the dollar, but was slightly easier against Continental currencies.

DOLLAR — Trade-weighted index (Bank of England) 119.3 against 120.2 on Monday, and

DOLLAR — Trade-weighted index (Bank of England) 119.3 against 120.2 on Monday, and 112.5 six months ago. Three-month Treasury hills 7.79 per cent (12.18 per cent six months ago). Annual inflation 6.5 per cent (7.1 per cent previous month)—The dollar fell to DM 2.4190 from DM 2.4525 against the D-mark; to FFr 6.786 from FFr 6.8675 against the French franc; to SwFr 2.04 from SwFr 2.07 to terms of the Swiss franc; and to Y251.75 from Y254.50 against the Japanese yen. STERLING — Trade-weighted index 91.8 against 19.6 at the previous close, and 90.8 six months ago. Three-month interior would be withdrawn from the previous close, and 90.8 six months ago. Three-month interior member (third sirongest). Trade-weighted index (3.7 against 73.6 on Monday, and 79.9 six months ago. Three-month is per cent (12.18 per cent (12.8 per ce

EMS	EUF	ROPEA	N CUR	RENCY	UNIT I	RATES
	•	ECU	Currency omounts against ECU	% chango trom contral	". change adjusted for	Divergence

	ECU cantral rates	omounts against ECU August 24	trom contral rate	change adjusted for divergence	Divergence	
Selgion Franc	44.9704	43.2588	+0.64	+0.60	±1.3501	j
Danish Krone	8.23400	8.22710	-0.08	-0.12	±1,6430	
Germon O Mark	2.33379	2.35517	+0.92	. +088	王1,0988	
French Franc	6.81387	5.59935	-0.21	-0.25	.≟1,3940	
Outch Guilder	2,67971	2.58704	+0.28	+0.24	±1.5024	
Irish Puni	0.691011	0.684997	0,37	-0.97	±1.6691	
Italian Lira	1350.27	1330.58	-1.48	- 1.46	±4.1369	1
Change	s are for l	ECU. therelore	positive chi	ange denotes	a	

weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

Aug 24	Day's spread	Close	One month	% p.4.	Three	p.
U.S Caneda Nathind. Seigium Denmerk reland W. Ger. Fortugal Spoin Jaly Torway Franco Sweden Joyan Austria Switz. Be	1,7460-1.7690 2.1630-2.1820 4.677-4.702 91,86-32,40 14.88-14.86 1.2375-1.2475 4.26-4.29 148.75-150.50 182.20-183.60 2408-2416 11.51-11.59 11.93-12.00 10.591-10.86°2 442.447 29.95-30.20	30.05-30.10 3.601 ₂₋ 3.611 ₂ or convertible	2½-3ore dis 1.70-1.50y pm 9½-5gro pm 2½-2½c pm Iranes. Financ	- 8,85 2.89 - 2.48 1.50 - 6.90 - 3.15 - 15.74 - 9.69 1.82 4,51 3.03 4.32 3.04 8.31 1.31	325-370dis 56';-59';dis 94-104 dis 24';-27';dis 5';-9'; dis 3.70-3.50 pm 17';-11'; pm 6';-5'; pm	-2. -2. -2. -3. -13. -7. -9. -3. -3.

THE DOLLAR SPOT AND FORWARD

					•:	Three	-
ļ	Aug 24	obtesq oay's	Close	One month	р.9.	months	p.8
it otchdyenyces	Aug 24 UK† Irelend† Canada No:hlrd. 8elgium Oenmark W Ger. Portugal Opoln Italy Norway France Swoden		Close 1,7670-1,7680 1,4200-1,4220 1,2340-1,2345 2,6500-2,6520 46,53-45,55 8,4950-2,4195 2,4195-2,4195 109,50-109,60 13644-1355-4 6,5625-6,5675 6,7775-8,7826 8,0370-5,0420 251,770-251,80	One month 0.22-0.12c pm 1,00-0.90c pm 0.92-0.57c dis 0.43-0.33c pm 14-16c dis 0.40-0.35pl pm 75-175c dis 0.70-0 dis 12-13fire dis 2.20-2.80core dis 41-5c dis 2.30-2.50ore dis 0.30-0.50 pm	1,15 8,08 - 5,28 1,71 - 3,85 - 3,35 1,88 - 17,63 - 7,11 - 10,92 - 4,38 - 8,13 - 4,76 2,05	0.12-0.02 pm 2.30-2.15 pm 1.19-1.25dis 1.50-1.40 pm 35-39 dts 5.85-6.35dio 1.52-1.47 pm 195.220dio 34-36 dts 3.80-6.20dio 141-16 din 5.30-3.50dis 2.03-1.93 pm	0.1 5.2 -3.9 2.1 -2.8 -14.1 -7.5 -10.1 -3.6 -3.3
Č	Jepon Austria Switz.	17.07-17.13°, 2.0380-2.0670	17.07 - 17.081, 2.0395-2.0405	1.23-1,15c pm	7.00	94-54 pm 3.45-3.37 pm premilimo ani	6.6

† UK and Ireland are quoted in U.S. currency. Forward premiumo and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY	MOVE	MENTS	CURRENCY RATES				
Aug. 24	Sonk of England	Morgen Oueranty Chenges	August 84 : rate Orawing Currons Rights Units				
Sterling U.O. dollar Canadian dollar Austren schilling Seiglan frenc Inensh kroner Inensh kroner Culider French Iranc Lira Yen Based on trade wi Washington agrees Bank of England &	110,5 88,7 118,1 94,8 94,8 123,7 147,8 177,5 73,7 63,6 155,1	mber 1977.	Stering 10, 10, 10, 10, 10, 10, 10, 10, 10, 10,				

OTHER CURRENCIES

Aug 24	£	5		Note Rates
Argentina Paso Australia Oollar Frazil Gruzelro Finland Markka Groek Orschma Hong Kong Oollar Iran alin Kuwait Oinari KIU Luxembourg Fr Malaysia Dollar Naw Zesland Oir. Saudi Arab. aliyal singspore Dollar Sth. Airican Rand U.A.E. Dirham	1,7850-1.7870 631.85-32.83 8.8810-8.2873 118.848-12.280 10.48-10.484 0.510-0.511 82.15-82.25 4.08-4.10 2.6675-2.3726 5.7573-3.7675 2,0055-8.0060	1.0190-1.0193 188,86-198,90 4.6950-4.6070 68,50-68.50 5,0583-5.8626 94,40 10,2894-0.8896 46,53-45,35 12,3250-2,3280 1.3515-1.5536 3,4390-3,4410 8,1550-8,1380	Switzerland	2490-2440 445-450 4,653,4,693, 11,47,11,57 146-158 188 4-200 10,58-10,68 3,58-3,62 1,741,1761,2
THE RESERVE AND DESCRIPTION OF THE PERSON NAMED IN	التابط والمساوية			CD 450

1 Rain sanwn for Argentina to commercial Financial rate 68.361-68,401 ogeinot sterling 32,950-39,000 against dollar. *Selfing rate.

EVOLUNICE CROSS RATES

	011000							_		
		U.S. Dollar	Ceutschem'k	JapaneseYan	FrenchFranc	Swiss Franc	Dutoh Oulld'	ftellan Lira	Canada Dollar	Belgian Fran
Aug. 25	Pound Striling	u,S. Dollar	OEDESCHOOL I				4,688	8414,	8,180	. 82,20
Found Starling	2000	1.768	4,280 2,421	144.8 261.6	11,98 6,778	3.610 2,042	2.652	1365.	1,233	46,51
U.S. Dollar	0,566		2.701			0.047	1.095	563.9	0,509	19,2t
Doutschemark	0.234	0.416	1. 9.63 <i>\$</i>	103,9 1000,	2,799 26,94	0.843 3,117	10.54	6427.	.4,902	184,8
Japanose Yen 1,000	2,248	3,974	7.050				3.913	2015.	1,820	68.6t
French Frenc 10	0,835	1,475	3,573 1,186	571,2 123,2	. 10. 3.318	3.013	1.289	666.6	0,604	22,77
Swies Franc	0.277	0,490	1,100					• 814.8	0.465	17,54
Dutch Gullder	0.213	0.577	. 0.913 1.776	94,83	2.556 4.964	0.770 1,496	1.942	1000.	0,903	34.06
Italion Lira 1,000	0.414	0,752	. 1,116	10713			7.450	1107.	: t.	37.7t
Canadian Dollar	0.459 1.317	0.811 2.150	1,963 5,207	204.0 341.1	5.496 14.57	1,656 4,592	2,150 6,703	2936.	2,652	100.

FT LONDON INTERBANK FIXING (11.00 a.m. AUGUST 24)

bid to 1/2 ofter to 5/8	bid 11 1/2 offer 115/8	reference banks at 11 am each working Bank, Bunk of Tokyo, Deutsche Bank Guaranty Trust.	Banque Nationale de Paris and Morgan
EURO-CURRENCY IN	TEREST RATES (Market c	losing rates)	Panish

Market market and a second						Calal	n Frano	Danish
	U.S. Noller	Canadian Dollar	Outch Guilder	Swiss Franc	D-mark France	Lira Conv.	Fin. Yea	Krono
	8.914 91; 91; 93, 10 1015 1015 1116 1116	151: 161: 141: 151: 141: 144 141: 141:	3 to 912 814-859 814-859 814-866 812-873 812-858	317.412 634.7 314.539 - 4.416 475.5 413.5	85,-876 1414-15 776,8 165,-17 814-876 1734-1812 878-812 1951-2012 858-812 1951-2012 858-812 2012-2112	18.20 1214-14 18.81 124-14 105-205s 134-14 2014-2054 1314-1414 81.214 1315-1415 21.815s 134-1414	144.1412 1513.1354 1552.1676 1352.1376 1352.1376 1352.1376 1352.1376 1352.1376 752.758 1366.1578	1812-14 1218-1318 1310 1448 15-1619 16-1718

SOR tinked deposite: one month $9^{13}_{N}-10^{1}_{N}$ per cent; three months $10^{1}_{N}-10^{1}_{N}$ per cent; six months $10^{1}_{N}-11^{1}_{N}$ per cent; one year $11^{1}_{N}-12^{1}_{N}$ per cent; three months $11^{1}_{N}-12^{1}_{N}$ per cent; one year $12^{1}_{N}-12^{1}_{N}$ per

MONEY MARKETS

Bank cuts dealing rates

The Bank of England cul & per cent from its hill dealing rates with the London maney market yesterday, increasing speculation of another cut in clearing bank base tending rates in the near future. This was despite a considerable shortage of daylorday credit in the man of day-to-day credit in the mar-ket, and an upward trend in

period interest rates.

In the morning the Bank of England forecast a shortage of about £700m, but this was reshout £700m, but this was revised to £750m at noon, and to £800m in the afternood. The main factors were: bills maturing in official hands and a net market take-up of Treasury hills —£188m, coupled with Exchequer transactions of £80m, and the unwinding of repurchase agreements of agreements of the state of \$11\$ per cent. This made total assistance oo the day of £753m. In the interhank market overnight loans opened at \$11\$-\$11\$ in the interhank market overnight loans opened at \$11\$-\$11\$ per cent, and touched a peak of \$11\$-\$12\$ per cent, before closing at around \$10\$ per cent. Period around \$10\$ per cent. Period around \$10\$ per cent.

Refore lunch the authorities gave assistance of £218m by huying £14m bank hills in band 1

| 5.5 | 5.6 | 7.09375 | 7.09375 | 7.34375 | 8.41 | discount (three-menth) | 7.34375 |

MONEY RATES

NEW YORK

GERMANY

tion which added £60m to mar-

UK clearing bank base lending rate 11 per cent (since August 17 and 181

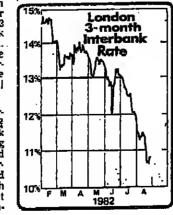
The Bank of Eogland cut 1 per cent from its hill dealing rates with the London maney market yesterday, increasing market yesterday, increasing the special per cent.

(up to 14 days maturity) at 111, per cent, against 111-112 per ce

In the afternoon the Bank of England bought another £34m bills outright, made up of £1m bank bills in hand 1 at 11½ per cent: £24m hank bills in hand 2 at 10½ per cent; and £9m bank bills in band 3 at 103 per cent.
The balance of £531m bills were purchased for resale to the market oo September 13, at a rate

repurchase agreements of rates were slightly firmer over-aff550m. These were partly off-oet by a fall in the note circula of the partly off-oet by a fall in the note circula of the partly off-oet by a fall in the note circula of the partly off-oet by a fall in the note circula of the partly off-oet by a fall in the note circula of the partly off-oet by a fall in the note circula of the partly off-oet by a fall in the note circula of the partly off-oet by a fall in the note circula of the partly off-oet by a fall in the note of the partly off-oet by a fall in the note circula of the partly off-oet by a fall in the note circula of the partly off-oet by a fall in the note of th from 1043 per ceot, but seveo-

In the afternoon the Bank of from 10th per cent,



LONDON MONEY RATES

Sterling Certificate Interbank Authority Authority Company Com							فالمستحدة			Market American	
Overnight	Aug. 24	Certificato	Intorbank	Authority	negotiable	House		Market	Treasury	Bank	Trade
	2 days notice 7 days or 7 days notice One months Two months Throe months Nino months One year	11 % 11 % 10 % 10 % 10 % 10 % 10 % 10 U 10 % 10 U	111:1154 111:1152 10:2:11:3: 10:3:10:3: 10:3:10:4: 10:3:10:4:	1114 1114 1138 11 1034 1034	1134-1136 1112-1114 1114-1034 10-858 1035-1014	11 4 1018 1034 1034 1034	111g-113g 111g-113g 111g-113g 11 203g-107g	11.114 1034 104,	101 ₃ 101 ₄	10% 10% 9%	11 + 10 +

ECGD Fixed Rate Sterling Export Finance. Schamo IV Averaged Reference Note for Investment period in Sully to 3 August 1882 Lineduove): 12.143 per cent.

Local anthritiers and finance houses soven days notice, others seven days fixed. Long-term local authority mentgage rates, normally three years 11½ per cent: four years 11½ per cent: leve menths that bills 10½ per cent; four menths beank bills 10½ per cent; four menths that bills 10½ per cent; four menths 10½ per cent and three menths.

Approximate celling rate for one month Tresoury bills 10½ per cent; two menths 10½ per cent and three menths 10½ per cent; one menth trade bills 11½ per cent; two menths 10½ per cent; three menths 10½ per cent.

Finance Houses 90se Rates (published by the finance Houses Association! 18 per cent from August 1 1962, London and Scottish Cleaning 9ank 9ase Rates (published by the finance Houses Association! 18 per cent from August 1 1962, London days notice 8 per cent. Treasury 8ilis: Average tender rates of discount 9.9833 per cent. Certificates of Tex Daposh (Serios 3) 11 per cent from August 15. Ospoolts withdrawnfor cash 9 per cent.

FT UNIT TRUST INFORMATION SERVICE

FT UNIT TRUST INFORMATION	SERVICE
Abbey Unit Tst. Meigrs. 1e) 1-3 St Paul's Churchyard ECAP 40X 01-236 1833 High locasite AUTHORISED TRUSTS	Ridgefield Management List. 1 Postery Sa., EC24 1PD G1-598 6406 jacons (IT 1985 1985 1985 1985 1985 1985 1985 1985
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EUROCURRENCIES Eurodollars

firmer Eurodollar interest rates con-

tinued to move up yesterday, leading to a slight rise in most other Eurocurrency interest rates, including sterling. Euro French franc rates also advanced as the Bank of France continued its defence of the franc through higher interest rates and direct foreign rates and direct foreign exchange intervention. The sixmonth franc rate increased to 201 per cent from 187 per cent yesterday, compared with the current six-month domestic rate of 141 per cent. Forward positions of most major currencies showed little change against the dollar, despite quite sharp movements in spot trading. Euro D-mark rates were gener-ally steady yesterday, even after the hetter than expected balance of payments figures announced in the morning, which increased hopes of cuts

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MEL Trust Managers Ltd. (c) 1g)
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44. Bloomsbury Sc., WCLA 2RA 01-623 8893
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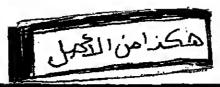
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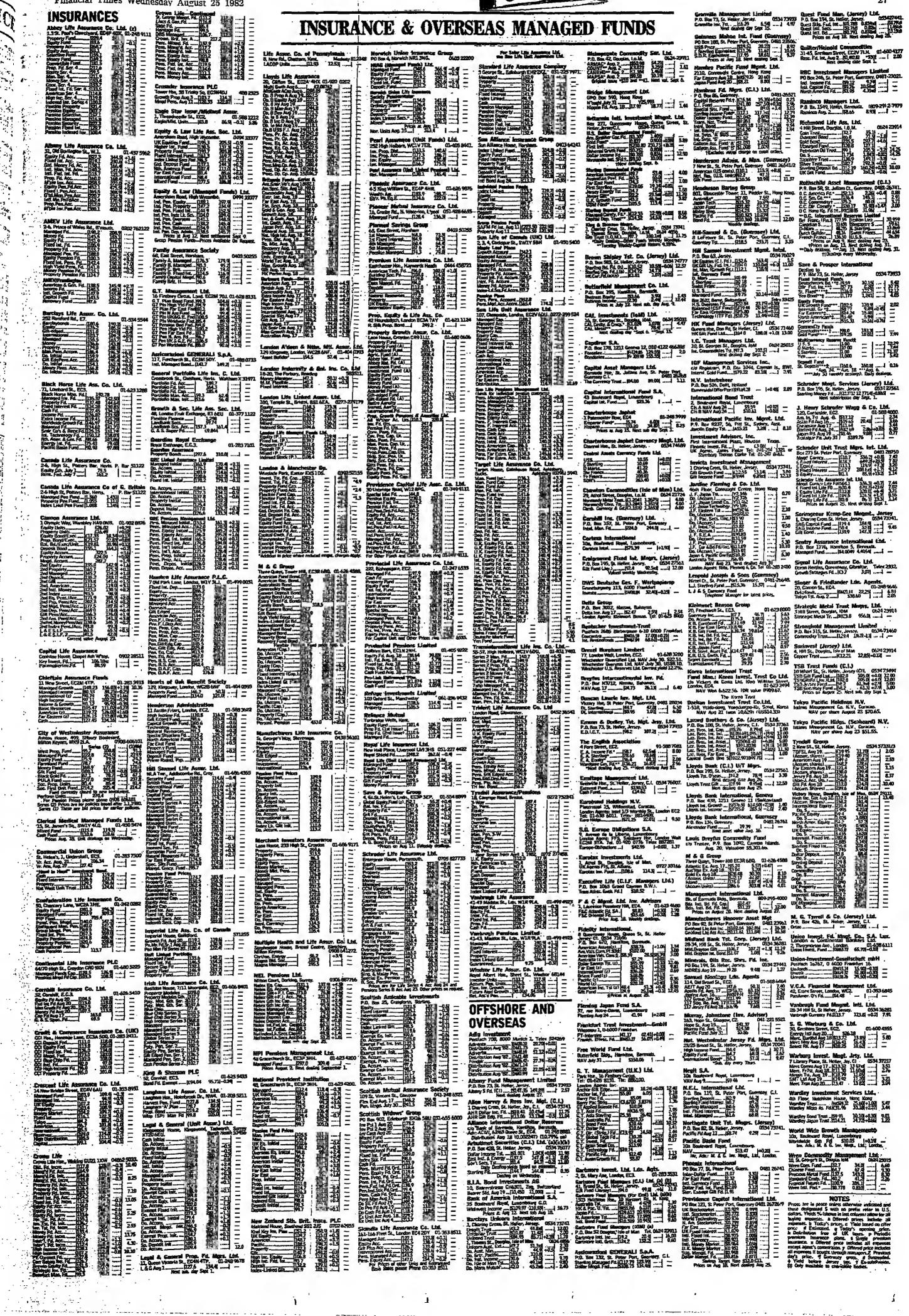
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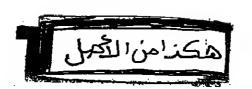
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FINANCIAL TIMES

Wednesday August 25 1982

Balfour Beatty Builds Better EB 01-686 8700

U.S. may act on gas pipe defiance

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

met yesterday to decide the the administration from acting move in its confrontation with France over U.S. sanctions on the Siberian gas pipeline.

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Senior cabinet members held urgent talks in Washington as the French subsidiary of the Dallas-based Dresser Industries announced it would obey French Government instructions to losd three compressors for the pipeline onto a Soviet freighter in Le Havre today-in defiance of American directive forbidding any typa of U.S. involvement in the project.

The parent company asked the U.S. District Court in Washington to decide whether its subsidiary should obey the French order or abide by the extended ruling imposed in June by President Ronald Reagan. Dresser also asked for an injunction against the U.S. government should it try to penalize the company for its

against it.

Mr George Sbultz, tha State Secretary, presided over a meeting at the state department. Mr Malcolmn Baldrige the Commerce Secretary and Mr Richard McNamar the deputy secretary of the treasury also attended. The group was expected to report directly to Mr Reagan at his ranch in Cali-

The administration has con-sidered for sometime various combinations of diplomatic and legal possibilities for enforcing its sanctions outside U.S. terri-

The sanctions are intended to apply to U.S.-based companies and their subsidiaries and licensees abrosd. govarnments have been en-raged by the attempt to assert American jurisdiction over other indapendent soverelgn ststes.

union leaders at the Dresser plant near Le Havre. The work had stopped in June, in compliance with U.S. rules applied originally in response to the clampdown in Poland at the end of last year.

The French state shipping lioe, Compagnie Generale Maritime said its vessel the "Borodine" was due to sail for Riga, Latvia, tomorrow with three of the compressors, each eighing 60 tonnes.

Dresser-France said it had been obligated to supply equipment for the pipeline, under a 1959 decree.
The French Government bas

implicitly threstened to invoke the same powers to force other companies with U.S. licensing or mership links to carry out their contracts.

The companies are Rockwell-Valves, controlled by the U.S. Rockwell group and is involved as a subcontractor; Creusot-Loire, the French private engi-The Justice Department said Our Foreign Staff adds: Work neering concern, which has a it would oppose strongly the on compressor units started licence agreement with Cooper

THE REAGAN Administration company's attempt to prevent again yesterday, according to Industries of the U.S.; and the Engineering, met yesterday to decide the the administration from acting union leaders at the Dresser state-controlled Alsthom-Atlan-yesterday at Creusot-Loire is to send the

begin in October, 1983.

Alsthom is in a particularly

tion to fulfil its contracts with affected by the UK order are the Soviet Union to begin supply of 47 gas turbines.

the end of the year.

August car sales

likely to top

AUGUST CAR sales are

expected today to set a record by passing the 250,000 mark,

with nearly a week of trading

In spite of the decision by

BL to balt output of the Metro

and Mini for two extra weeks

next month, rival manufac-

turers discount suggestions that

a slump is developing in the

BL attributed its decision

mainly to a reduction of 25,000

In the volume of small car sales

expected in the UK this year,

to improved stocking and deli-very procedures, and to better

than expected productivity at

But even a 25,000 cut in volume represents only a small downward shift of about 1.7 per

centage points in the market

share of small cars.
Ford said yesterday that the

share of the market taken by

small cars so far this year stood

at 22.5 per cent, a fall of only

about half a percentage point on 1981. Ford excludes very

small cars such as the Citroen

there is no evidence that the

but remains marginally ahead

Continued from Page 1

number of graduates joining the

unemployment register in July and August was about 25,000

more than in the same period

last year. This could indicate the start of a sbarply worsaning

for the year as a wbole.

Jobless

still to go.

small car market.

Longbridge.

250,000 record

The board met the Clydehank tique, whose turbine activity is works outside Glasgow where dependent largely on the skills 21 turbines for the Soviet pipe-General Electric of the U.S. line are under construction. Earlier this month, the UK

Government enacted part of the first of its own consignments Government enacted part of the next year, while Alsthom's Protection of Trading Interest supplies of spare "rotor-kits" Act and probleted companies for turbines are scheduled to from complying with the U.S.

John Brown has completed delicate position because of the six of the 21 gas turbines, part terms of a 1976 agreement of its f104m order and planned signed with General Electric, shipment this month. But it which U.S. officials claim make needs the rotor blades for the it subject to the export ban remaining turbine from GE against the Soviet Union.

In Frankfurt, AEG Telefunken has decisred its intentions to falled its companies.

American Air Filters of Cramlington, Northumberland, sub Two turbine deliveries were contractors of John Brown, understood to be imminent and with an order for £3.6m worth may have begun already. A of turbine air filters; Smith further 12, all using GE tech- International (North Sea) of nology, are to be delivered by Stroud, Gloucestershire, which is supplying £12.4m of well The French move was under-stood to bave been discussed by Tools (UK) of Aberden which

BL's total sbare so far in

August stands at 16.8 per cent,

hut the company sald yesterday

that it expected to reach 18 per

cent by the end of the month.

fall appears to stem more from

tha fall in demand for older

models in the medium sector

on which it has to rely until its

new LM range starts to appear

ple, are running at little more than a third of the 1981 level,

while cars such as the Allegro

Triumph and TR7 and Maxl are

disappearing from the market

place after the ending of their production.

Demand for the Mini has fallen from 2 per cent of the market last year to about 1.4 per cent now However, the Mini is regarded as baving a particular niche in the market

with a long-standing, if erratic,

following and as being unrepre-sentative of trends in the small

cent, Vauxhall's 10.1 per cent

ports, including those from Con-

Most manufacturers, in an

car market.

2CV and Fiat 126 from its and Tabbot's 4.1 per cent. Imfigures, but these account for ports, including those from Con-

only about 1 per cent of the tinental plants of UK-based manufacturers, are running at

short of its overall market share the fact that August is primarily target of 20 to 21 per cent, but a private buyers' market.

Metro is suffering a fall-off in attempt to increase unit sales to

sales. It is taking about 7 per offset the narrow margins cent of all sales compared with brought about by this year's 8.8 per cent for the Ford Fiesta, heavy discounting, are continu-

BL so far this month is well just over 60 per cent, reflecting

Ssles of BL's Ital, for exam-

Its continuing target short-

for the next two or three years. In the North Sea, digestion is going to be eased by the beavy tax allowances against

the capital expenditure in tha recently-acquired Bestrice field. The company has prospectively saved itself £9.5m in corporation tax in the first six months alone, and while tha burden of Petroleum Revenue Tax will be mounting, at least corporation tax worries go into the pending tray for this year and next.

Lasmo's £22m net profits for

the first balf-year to June, down

£1.2m on the same period last

year, are mainly of historic in-

terest. The summer spending

spree has added substantially

to its North Sea oil interests

and taken it into Indonesian

production. After an extensive

search for new assets, the com-pany now has plenty to chew on

Lasmo's move into production assets means that net debt by the year end will be more than £100m higher, and will probably have doubled as a proportion of net assets in the current cost bslance sheet. However, gearing is by no means excessive, and the £80m now being raised against Beatrice will be effectively off balance sbeet. The real constraint on future freedom of action will come on cash flow, which exceeded cspital expenditure by £35m in the first half, but which will now be absorbed ty new commitments.

Profits may be dull in the second half, as -the beneficial long-term contracts for Ninian oil run off, but next year the outlook begins to brighten. The sbares rose 3p yesterday to 343p, which represents a discount to net assets very much in line with the berd.

Markets

After a day or so of heady freedom last week, the UK markets are now firmly back In the motherly arms of the Bank of England. The gilt-edged market — which bad grown slight apprehensive over the firmer interest rate trend on Monday across the Atlanticwas soothed by the Bank handing out some of the interest rate fall put aside for a rainy day last week, in the shape of a i per cent cut in its money market dealing rates.

Ford's share so far this A £316m July current account surplus reflected the strong be conservative. growth in North Sea oil volume. and also in part the continuing effect of the renewed-modest -destocking by industry. The figures did no harm at all to sterling, which put on 2.1 cents against a generally weakened rate, and the dull performance maintained dollar, while the trade-weighted of the 55 per cent owned would imply.

Index fell 5.5 to 571.0

its tanks

THE LEX COLUMN

Lasmo fills up

Exce International

SHARE PRICE

index gained 0.2 to 91.8. With sterling interest rates now above those of the dollar, little a further fall in short-term rates. A renewed downward move could not take place too fast for the gilt-edged market, where the valuation of sbortdated stock seems to presuppose a brisk march in base rates to single figures.

Meanwhile, the suthorities' policy of long hond starvstion drew a response yesterday, but from a rather nnexpected quarter. The French state body lectricité de France jumped in with the first Bulldog bond with a sub-13 per cent redemp-tion yield, to the yesr 2008. To the extent that the authorities had been warming up the seat for corporate bonds, this may be straining the entente cordiale a little; on the other band, at least the Bulldogs are pointing the way.

Exco

Exco is taking no changes with its malden interim statement. The increase in its Unitel bolding and the acquisition of a majority stake in WICO have both been treated In a most punctilious way. The group has imputed an interest charge to the Unitel purchase and dilution is already showing tbrough from the issue of new shares. But the real earnings benefits will not show through until the second half.

Exco can admittedly afford to to £6.4m pre-tax. The money builtion brokerage has con-tributed to a lower minorities charge. So the increase in attributable earnings has easily matched the 50 per cent rise in average share capital."

The second half will produ s much higher contribution from the United assertate, as the costs of expanding the money broking operation in New York run of and the impact of lower dollar interest rates is reflected in fluancing charges. Telerate orders are still running ahead of the available aupply and WICO is apparently trading at a healthy profit. So far, Exco has lived up to the heady reputstion established during last year's offer for sale pandemonium. But with the shares trading on over 16 times last year's earnings at 219p, it cannot afford to put a foot wrong.

De Beers

out of friends in the City. Its budget day decision to balve the 1981 dividend caught the market completely unawares and yesterday it repeated the performance with the interim. The share price which has re-cently been drawing support from mildly encouraging diamond sales figures, fell 28p

De Reers must be running

The reported figures themselves provided little justification for such dramatic action. Pre-tax profits for the six months to June are down only 4.9 per cent to R376.5m and a maintained interim could have been pald out of investment income alone. Unfortunately, the reported figures are transformed by a fortuitous change in De Beers accounting policies. The share of retained earnings in associate companies suddenly emerges above the line. On the basis of previous accounting practice, profits have halved. But it is the interest payable

figure of R48.6m. higher than for the whole of 1981, which provides the key to the dividend decision. Diamond stocks within the CSO will rise by around \$300m this year and most are prohably financed at nunitive Rand Interest rates. De Beers is slowly bringing equilibrium, but the process is tedly afford to slow and, in the meantime, Even as re- mining costs are rising at an ported, profits in the six months annual rate of about 15 per to June bave risen 29 per cent cent. So the group is anxious to conserve cash and, after the broking business is showing the recent shocks, the stock market fastest growth in the Far East may have its doubts about the centres, leaving a lower tax 8.2 per cent yield which a rate and the dull performance maintained final dividend

IBH Holding pulls out of Harvester machinery talks

BY RICHARD LAMBERT IN NEW YORK

equipment group, has ended dis- third largest construction equip-Internstional Harvester's construction machinery business. Until yesterday's announcement, it bad been thought that a deal would be signed in

Chicago this morning. Herr Horst-Dieter Esch, IBH's chairman, said in the U.S. yes-terday: "The conversations we have bad regarding the con-struction equipment division were terminated today because we couldn't find agreement on some major points, including pension liabilities and some other commercial terms."

Harvester said It was making progress in talks with other potential buyers of its construction equipment interests. The sale of these loss-making activi-ties forms an important part of the group's attempt to restruc-ture itself and avoid financial

It is possible, bowever, that IBH could resume talks at a UK. In earlier deals, it has later atage. Herr Esch is known taken over Terex from General as a very tough negotiator, hav- Motors, Hymac from Powell

De Beers

halves

interim

ing West German construction founded in 1975. It is now the Canads. cussions on the acquisition of ment group in the world after Caterpillar of the U.S. and Komatsu of Japan.

> A takeover would have given IBH sccess to Harvester's worldwide dealer network and would bave included Harvester's construction equipment interests in West Germany as well as plants in Chicago and Cansda. The deal was thought to have been worth some DM 500m (£116.68m) and would have involved Harvester taking an equity stske of nearly 13 per

The U.S. group's construction equipment division had sales last year of \$743m (£425.42m) and produced an operating loss of \$17m compared with a loss of \$119m in 1980 on sales of

IBH's last acquisition was the construction equipment division of Babcock International of the

IBH HOLDING, the fast-expand- companies since IBH was msg from Massey Ferguson of

With the exception of Massey Ferguson, all these companies have also taken significant equity stakes in IBH, which expects to bave sales this year of around DM 2.7bn.

In a separate announcement, Harvester sald It bad agreed to sell its 30 per cent interest in Steiger Tractor to Deutz Corp., the U.S. subsidiary of Klockner-Humboldt Deutz of Cologne, West Germany. The value was undisclosed, but was thought to be less than \$10m.

Harvester said the sale was another move to dispose of under-utilised assets and concentrate on core businesses. The group acquired its interest in Steiger in 1974 noder a deal providing for Steiger to make large four-wheel drive tractors for International Harvester.

Earlier this year, the terms were changed to allow Steiger direct access to Harvester's North American dealer network. This marketing arrangement will not be affected by the

disposal of Stelger shares. Deere earnings plunge, Page 19 Duffryn of the UK, and Hano-

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

By Kenneth Marston, Mining Editor MR HARRY OPPENHEIMER'S South African diamond concern. De Beers Consolidated Mines, is cuttling its 1982 interim divi-dend by half to 12½ cents (6.3p).

This follows the reduction in the final dividend for 1981the first cut in 37 years—which surprised the stock market in February.
In London yesterday, the first council.

reaction was a drop in the share price from 258p to 227p. Later the price rallied in brisk trading to close at 242p for a loss on the day of 16p, with buyers hoping that the worst of the news from De Beers Is now out of the way.

De Beers' profits from dia-

monds in the first half of this year fell by R92.9m (£46.5m) to R108.5m. The fall was largely recouped from other sources ss a result of accounting changes arising from the merger of the group's industrial interests. Overall net earning- in the first half were R239m after tax of R37.8m against s comparabla R254m after tax of R81m. Demand for smaller and

cheaper gems is running well, but there is still no pick-up in the market for the larger and high-quality diamonds which earn the big profits.

Consequently, De Beers' selling organisation is still stockplling high value diamonds. At the end of 1981 the value of these unsold stocks was about £700m and the group expects the stock to grow by a further £172m this year.

Bank borrowing facilities are considered to be fully adequate and borrowings made so far to finance the stockpile are relatively low compared with the group's total assets of about £1.2bn.

The cost of financing the stockpile, however, remains a burden, particularly as the diamond market remains slug-De Beers' policy of holding

production off the market is now having the desired effect of reducing tha big stocks of stones at the cutting centres. It says that "a sound basis exists for an improvement in sales as general worldwide

economic conditions improve. Mining, Page 18

TUC to co-operate on voluntary training

its policy of refusing to co-operate with voluntary training arrangements set up by industry. after the Government abolished 16 statutory training boards.

Representatives of affiliated unions said at a consultative conference in London vesterday that they favoured dropping the policy of total non-involvement. Their view will be referred to an early meeting of the general

The TUC will be prepared to co-operate only with those voluntary arrangements which it believes hold out the hope of providing worthwhile training—such as in the shipbuilding, air transport and steel industries—and which allow for adequate trade union represen-

months

Mr Norman Tebblt, Employment Secretary, will welcome the TUC's change of position as a move giving the Government's reform of training broader acceptability in industry. Union involvement will belp to make the change to a voluntary system more effective.

THE TUC is about to reverse tant general secretary, told the

The TUC furiously opposed the Government's decision to scrap all but seven of the atatotory training boards. It told unions to boycott alternative arangements which employers have been preparing in recent

Mr Ken Graham, TUS assis-

conference that general council members dld not depart from their view that voluntary train ing arrangements were second

best to statutory ones. "But they recognise the grave dangers of an institutional vacuum and that unions must seek to represent the interests of their members in the best ways open to them," be said. A conference working party then considered the issue and reported back that the TUC should reverse its guidance to

Marie Patterson, a national secretary of the Trans-Union, who chaired tha working party, said: Given the present circumstances unions really must protect and extend their members' interests in training." This would mean some involve-

The conference demonstrated considerable support for the reform of industrial training and the introduction next year of the Youth Training Scheme. This will provide school-leavers with a year of combined training, work experience and

further education. There are divisions batween union leaders as among employers-over whether a year spent on the scheme should count as part of the apprenticeship of young peopla who go on to further training.

Prestel Continued from Page 1

would be connected by tele- been Barclays. It denied yesphone line to a central com- terday it was involved in the puter. This would carry out proposed venture. instructions from subscribers and provide them with inforabout their bank accounts.

Systems of this kind are operating on a trial basis in several countries, notably the U.S. and West Germany, but none is yet operating as a full commercial service on the scale envisaged by Prestel.

The identity of the proposed partner, which suggested the service. is being closely guarded. It is said to be involved in banking but is understood not to be one of the major British clearing banks.

The bank most closely associ- stored in the computer and disated with Prestel until now has play them on their screens.

Several other steps are being planned to expand Prestel and increase its appeal to residential subscribers. These include: ● A scheme by the Birming-ham Post and Mail to install

2,500 Prestel sets in bomes in the West Midlands and to operate local information services and a bome shopping system. A proposal to allow regional franchise-holders to offer different services on Prestel, which is operated at present as a uniform national service. ● A major overhaul of the cumbersome indexing system through which subscribers "pages" of information locate

ing incentive campaigns until

the end of this month.

UK TODAY SHOWERS, locally Winds. London, land

SW. N England, Wales, SW Scotland, Isle of Man, N Ireland Blustery showers. Strong winds, Max 16C (61F).

14C (57F). Ontlook: Little change.

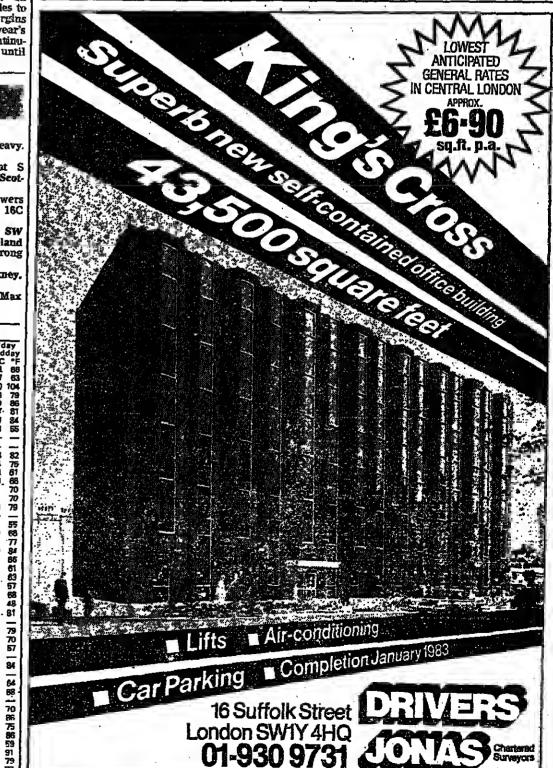
15 66 Naples 73 Nassat Carditi Ryk/vk 75 Rome 73 Salzb'rg

Weather

h eavy SE, E NE, Cent S England, Midlands, S, E Scotintervals, Sonny

Rest of Scotland, Orkney





· Mr-David Basnett, chairman of the TUC's economic com-

24 75 Venice 24 75 Venice 24 75 Vienna 22 72 Wersew 16 81 Zurich F—Fair R—Rein destroying the livelihoods of

trend in graduate unemploy-ment at a time when industry's optimism is at a low level. However, officials believe that

the figures might only reflect a pattern of earlier registration by graduates coming on to the labour market and that the numbers registering later in the year could be correspondingly

The number of vacancles in tha three months to August was at a slightly higher average level than in the previous three months, but even these figures

give little encouragement. The average number of vacancies notified this summer

was little more than at the turn of the year and slightly lower ashast than the level in the spring. In addition to those registered as unemployed, 561,000 young people were covered by special employment and training

schemes in July. It is estimated that the effect is to reduce the overall figure for the unemployed by about 305,000. Although unemployment bas been rising throughout the developed world, the UK has a

force on the dole than most other developed countries. On national definitions the UK's 12.3 per cent in July compared with Belgium 17.2 per cent; West Germany 7.5 per cent; France 10.8 per cent; Japan 2.4 per cent and 9.8 per cent in the U.S.

mittee, said last night that the Government policies were baving a "Luddite" effect on British industry. , "But they are worse than Luddites. Not only are they destroying machines, they are

developing. Windy. Max 16C (61F).

Shetland Rain, gale force winds. Max

bigher proportion of the work-